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RESEARCH FINDINGS ABOUT  
FORD - WERKE  
UNDER THE NAZI REGIME

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*A Guide to Contents*

FORD'S RESEARCH EFFORTS IN ASSESSING THE  
ACTIVITIES OF ITS SUBSIDIARY IN NAZI GERMANY

By Simon Reich

RESEARCH FINDINGS ABOUT FORD-WERKE  
UNDER THE NAZI REGIME

Prepared by  
Ford Motor Company Archives

AN INDEPENDENT ASSESSMENT OF THE  
FORD MOTOR COMPANY RESEARCH PROJECT  
ON FORD-WERKE UNDER THE NAZI REGIME

By Lawrence Dowler

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At the turn of the millennium, "globalization" is the new catchphrase for describing the central forces of the world's economy, politics, and social structure. With globalization comes a new vocabulary, including terms such as "civil society," "nongovernmental organizations (NGOs)," "global contagion," and "protocols." The public became familiar with these terms through media reports of the street demonstrations that stretched from the World Trade Organization (WTO) meeting in Seattle in 1999 to the Group of Eight (G8) summit in Genoa in 2001.

In addition, the decision-making processes that influence the agenda of world affairs, the key actors in that decision-making, the core values that dominate the process of decision-making, and the major issues for deliberation and action have all been altered precipitously by the forces of globalization. The governments of the world, even those of the strongest countries, no longer hold a monopoly on power. International conventions have replaced national treaties in importance. Many global organizations have significantly expanded their efforts to deal with economic, social, medical, and environmental problems common to humanity.

Powerful multilateral organizations have been created or emerged, including the United Nations (UN), International Monetary Fund (IMF), World Bank, and WTO. Their membership is composed of governments. But also of growing importance are NGOs that often focus on issues of the redistribution of wealth and of social justice. Although not elected, many NGOs have established themselves as the credible representatives of public concerns. Finally, the number and importance of multinational corporations has never been greater.

Despite their proliferation and expanded mantle of responsibility, corporations have become the subject of more critical scrutiny than ever. Major corporations have been accorded a new stature far beyond their traditional primary economic purpose in at least four areas:

- As agents of progressive social and economic change in their role as employers, particularly in relation to issues of wages and working conditions.
- As sources of monetary compensation for historic injustices or development projects.

- As catalysts of economic growth in the underdeveloped world.
- As conduits for dealing with the environmental impact of trade, investment, and finance.

The meeting of leaders drawn from the largest governments and major corporations of the world hosted annually by the World Economic Forum of Geneva, Switzerland, attests to a growing belief that even the most powerful governments cannot address these fundamental issues alone. The private sector has an unprecedented role to play in addressing dimensions of social and economic problems.<sup>1</sup>

While national legislatures retain many of their traditional roles associated with taxation, security, and welfare, an increasing number of the crucial decisions affecting the health, safety, and prosperity of the world's citizens are decided by international convention, by international organizations, and by dynamic market forces in which the world's corporations play a central role. Problematically, while governments remain accountable to their electorates, the forces that influence the welfare of citizens are increasingly beyond the control of those electorates. Multinational corporations are largely seen as partially filling that vacuum as a new source of power, given their capacity to transcend national boundaries. Yet, unlike (at least) democratic governments, corporations are not elected and are considered sheltered from accountability to the general public. This gap between power and accountability has generated widespread concerns among both governments and citizens about whether corporations will accept their role as agents of democratic, peaceful, and prosperous change.

Certainly, new and evolving issues abound, often intersecting and blurring the traditional distinctions between politics and economics, or between military and social affairs. Examples of these issues include drug

interdiction and other forms of transnational crime – such as money laundering and illegal immigration, with its relationship to poverty – and a heightened awareness of ethnic conflict and the need for preventative intervention. There is a growing appreciation among policy makers and analysts that the roots of many of these security problems are economic. The term “human security,” which is applied by the UN to a host of problems concerning economic development and personal safety, reflects such recognition.

What are the emerging core values accompanying the spread of globalization? A theme that runs through the agenda generated by international institutions such as the UN and many NGOs in responding to the forces of globalization is a focus on the benefits of democracy and of the need to ensure human rights be guaranteed for the citizenry by governments in all corners of the globe. One aspect of this emphasis is a respect for the rights of those who either have suffered historic injustices or are suffering contemporary ones at the hands of governments and corporations alike. These injustices take many forms, and include the claims of indigenous peoples who have had their land confiscated in the age of imperialism; the demands for decent working conditions by laborers subject to sweatshop rules; and the claims of victims who suffered the denial of their economic, political, and human rights as forced and slave laborers during the Nazi period. In many of these instances, groups seeking compensation for the denial of their rights have sought public support for their claims and financial redress through the court system, often the American court system for technical reasons.

It is clearly in this latter context of redressing inequities and injustices that the purpose and substance of Ford's report resides. For although governments have often been the target for those petitioning for either financial compensation (such as the land claims of the indigenous peoples of Australia) or an apology by way of recognition of the past suffering (for example, in the case of African-Americans whose ancestors were enslaved), multinational corporations have moved to a central position in many disputes. Indeed, the term “corporate social responsibility” has

<sup>1</sup> Ford in this context is a prime example of such a corporation. Its response to suggestions that it may have played a complicit role in a historic injustice regarding the use of forced and slave labor provides a very public forum for evaluating how the company is viewed as a corporate citizen. For my purposes, the term “slave labor” here is exclusively applied to the use of concentration camp victims. “Forced labor” refers to conscripted civilians from occupied countries.



been coined in the last decade to reflect the important role that multinational corporations play in these situations.

What does the term “corporate social responsibility” mean? It encapsulates the central role of multinational corporations in accepting responsibility for the impact of their actions on society and the environment, as well as addressing problems across a variety of issues in which claimants call for redress. The latter role implies that corporations respond to demands such as compensation for South African workers who contracted asbestosis as a result of hazardous workplace conditions or for former forced and slave laborers put to work in factories in Nazi Germany.

In essence, “corporate social responsibility” asserts that major corporations have more dimensions to their role than purely the economic one of satisfying stockholder demands. Through their behavior, they may also choose to contribute to maintaining political stability, providing public welfare services, and addressing a series of social and developmental problems across the globe. In many of the world’s poorer countries, multinational corporations have a greater capacity to administer educational and medical services, feed and clothe populations, and ensure that rights are respected than do the governments who at least nominally rule those countries.

The notion and underlying code of ethics generally described as “corporate social responsibility” attempts to imbue corporations with three core values: “transparency,” “accountability,” and “integrity.” Collectively, they lie at the heart of what is more commonly described as “good governance.” Why these three? Well, they are values consistent with democratic government. “Transparency” focuses on what corporations do in terms of their employment and social practices, why they take the actions they do, and how these policies are implemented. Corporations invoking the concept of “accountability” attempt to defuse accusations that they stand outside the jurisdiction of national and international legislative bodies. Rather, “accountability” suggests that corporations are subject to more than the interests of their major shareholders; they are also subject to the rules of law and are answerable to the court of public

opinion. Finally, “integrity” is invoked as an appeal to ethical conduct that extends beyond the immediate self-interest of any company to a broader set of enlightened values, particularly in areas of environmental degradation and labor practices.

It is only in the context of this rather extended introduction that one can understand the significance of the report entitled *Research Findings About Ford-Werke Under the Nazi Regime*. Faced with a series of crucial questions regarding the historical injustices endured by forced and slave laborers in Nazi Germany, the management of Ford Motor Company chose to respond effectively and credibly to a series of concerns initially raised by a documentary aired by the British Broadcasting Corporation in February 1998. The questions raised by the BBC’s documentary, and a rather more accusatory article that subsequently was published in the *Washington Post*, concerned:

- the relationship between Ford’s American parent firm and the Nazi government in Germany between 1933 and 1945;
- the relationship between Ford’s German subsidiary, Ford-Werke, and the Nazi government during the same period;
- the issue of whether forced and slave laborers were used at the Ford-Werke plant in Cologne, and, if so, whether Ford Motor Company officials in Dearborn cooperated in and were complicit in their use; and
- whether Ford or its subsidiary benefited financially from the company’s wartime activities in Nazi Germany.

My book *The Fruits of Fascism: Postwar Prosperity in Historical Perspective* (Cornell University Press, 1990) did, in part, attempt to address these very questions posed by the media. As a comparative study of the governments’ treatment of domestic and foreign automobile producers in Great Britain and Germany, the book sought to determine how and why the auto industries in these two countries, which looked so similar in 1929, were so profoundly different in the postwar period. What were these differences? By far the most important factor in this divergence was that

while the two American producers – Ford and General Motors – dominated production in both countries in the prewar period, they shrank in importance in Germany in the postwar period while remaining robust and dominant in Great Britain.

There were some important differences between the American firms in the two countries in the prewar period. Although Ford was the larger producer of the two in Great Britain, it was General Motors that played the much larger role in Germany, dwarfing Ford's production there. Indeed, Ford accounted for less than 2 percent of all American investment in Germany in the prewar period. Yet collectively the subsidiaries of the two companies accounted for approximately half of all German production in the 1930s. They were not overtaken in volume by the German firms until after 1945.

I sought to account for this striking difference in the fate of American firms in Great Britain and Germany in the postwar period, and to consider the implications for the postwar pattern of development in the two countries. I concluded that the difference was in how the firms had been treated by the two national governments in the 1930s and 1940s. While Ford and General Motors were assisted by a policy of national treatment in Great Britain that often, in effect, privileged them as producers, these same two firms suffered from consistent, explicit discrimination at the hands of the German government. That pattern of discrimination originated in Germany in 1933.

Furthermore, my own study found that Ford-Werke was consistently treated much worse than General Motors' Opel subsidiary. Ford-Werke's small size made it relatively unimportant in terms of Nazi strategic thinking and thus it was far more disposable. I argue that Ford-Werke was persistently treated as an outsider: bullied, manipulated, and denied the material resources allocated to other firms. Indeed, government regulations threatened Ford-Werke's existence. Alarmed by its slumping sales in Germany, the Ford parent firm in Dearborn tried to improve the business prospects for Ford-Werke by placating the excessive demands of the Nazi government. But the German

subsidiary remained an isolated and marginalized producer – despite Hitler's knowledge of Henry Ford's sponsorship of anti-Semitic publications, his personal admiration for Ford himself, and his adaptation of the mass production techniques in Germany that Ford had made famous. Ford-Werke's linkages with the Dearborn headquarters became increasingly attenuated during the course of the decade of the 1930s – and nonexistent by the outbreak of the war in the Pacific Theater in 1941.

Of course, this analysis is the work of one solitary scholar seeking access to documents dispersed across at least two continents. It was as comprehensive a study as circumstances allowed, but its findings were certainly not definitive. In an attempt to answer the questions raised by the BBC, *Washington Post*, and others, Ford Motor Company in this report offers a response that is far more thorough.

Ford Motor Company officials reacted to this public scrutiny by promising an exhaustive and uncompromising assessment regarding accusations about profiteering, collaboration, and the use of forced and slave labor, resisting the public clamor for immediate answers. They decided that the report (*Research Findings About Ford-Werke Under the Nazi Regime*) was to be purely descriptive in addressing these claims, not interpretative or even a historical narrative, allowing interested readers to draw their own conclusions. Ford appointed an investigative team of 45 people, made up of historians and professional archivists of the highest caliber. This staff eventually compiled over 98,000 pages of documentation. As part of that process, I was hired as a consultant to assist in locating materials, to read and comment on the research team's findings, and to ensure that the report was an accurate reflection of the materials collected. My role has therefore been as an informed and critical outsider, rather than an intrinsic member of Ford's effort. Consistent with the principles of "corporate social responsibility," part of my role has been to ensure that Ford's efforts in addressing these questions were credible, demonstrating the virtues of accountability, transparency, and integrity in collecting and collating materials and describing what happened. I believe that

the outstanding effort of a dedicated staff of professionals has yielded a report that offers honest answers to the sensitive questions raised by the media.

My conclusions regarding Ford's actions in Germany during the Nazi period are clear and beyond reasonable dispute, based on the data collected and presented in the report. They are as follows:

- The management at Ford's German subsidiary acted with growing autonomy from its American parent firm. American executives were often ill-informed about activities in Germany, as they were denied information by their German employees – a practice that extended to greater areas of policy over time. Ford's American management did try to influence policy in Germany where possible, but with decreasing effect. Ford's German management focused its efforts on gaining the acceptance of the Nazi government in order to continue to do business in Germany, but foundered in this regard. Ford remained a marginal producer in terms of both volume and strategic significance to the German war effort.
- Short of divestment by the American parent, Ford's German managers had little choice but to try to address Nazi demands. After 1933, government regulations and restrictions on production consistently reduced the company's capacity to act autonomously. As commercial passenger vehicle production was slowly eradicated, government contracts became the sole source of business. Without those contracts, predominantly for trucks in Ford-Werke's case, Ford would have lost all of its German investment as the subsidiary withered due to a lack of a market.
- Slave laborers were used at Ford-Werke's Cologne plant in 1944 and 1945. The best available evidence suggests that they totaled a maximum of 65 over time. Prisoners of war and forced laborers, mostly from Eastern Europe and the Soviet Union, but also a number from France and Italy, were also used. But according to the copious data collected regarding communications between the parent and its subsidiary, the parent company

in Dearborn had no knowledge of, and thus no control over, these activities. The record reveals that communication between the American parent and the German subsidiary ceased by November of 1941, before the use of forced or slave labor began. There is no evidence that executives at Ford's other European subsidiaries acted as intermediaries between the U.S. parent and its German subsidiary at any time between 1941 and 1945.

- Financial records analyzed by Pricewaterhouse-Coopers suggest little evidence that Ford-Werke made profits during the war. The analysis reveals that modest profit figures were recorded during the first few years of the war, but these were wiped out by enormous losses in the last two years. Indeed, the actions of the Nazi government, a postwar claims commission, and the Congress of the U.S. government all provide evidence to support the view that there were significant damages inflicted upon Ford-Werke. Each of these bodies awarded modest compensation to Ford or Ford-Werke, representing a small fraction of Ford's claims.

No historical record can ever be adjudged as definitive. There is always the possibility that new materials may be located and we will have to reconsider our assessment of Ford and Ford-Werke's role in the events that took place in Germany between 1933 and 1945.

Using the information available to me, I have studied the issues raised by the media reports of 1998, and believe the following with regard to Ford's response:

- The evidence provided by the data suggests that there was no complicity on the part of Ford's Dearborn management in assisting the Nazi government's wartime effort.
- Ford Motor Company has done everything reasonably possible to address the concerns originally raised by the media. The investigation that was the basis of the Ford-Werke report has taken 3½ years to complete. It has been conducted

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*Ford's Research Efforts in Assessing the Activities of its Subsidiary in Nazi Germany*

at great cost and effort, with the compilation of an exhaustive and comprehensive report.

- In an effort to provide complete “transparency” on the matter, Ford has decided to make available all documentation collected and compiled to the general public. All materials will be indexed and described in detail in a database for easy access.

These actions, in my opinion, all reflect the extent and credibility of Ford’s effort. They are consistent with the core values of “corporate social responsibility” described previously: “transparency” in both the generation and reporting of Ford’s wartime activities, “accountability” to those with legitimate concerns about the abuse of forced and slave laborers and possible profiteering, and “integrity” in the way that the company has addressed the issue by sparing no

effort, including using external experts in their respective fields to ensure that a system of checks and balances remained in effect.

No study is ever foolproof. But I am as confident as I can be that Ford has performed with due diligence in locating and compiling materials, and accurately reflecting their content in the report, *Research Findings About Ford-Werke Under the Nazi Regime*. It is a credible example of a company accepting and implementing the code of “corporate social responsibility” regarding a most delicate issue. I invite you to read the report and draw your own conclusions

**Simon Reich**  
**Pittsburgh, Pennsylvania**  
**November 2001**

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RESEARCH FINDINGS ABOUT  
FORD - WERKE  
UNDER THE NAZI REGIME

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# REPORT SUMMARY

## Introduction/Project Background

This report summarizes information from a 3½-year research project conducted by Ford Motor Company (“Ford”) into the World War II activities of its German subsidiary, Ford-Werke AG (“Ford-Werke” [Ford-Works]). The project was launched in January 1998 following an inquiry from the British Broadcasting Corporation (BBC) regarding the use of forced labor at Ford-Werke during World War II. On March 4, 1998, attorneys filed a class action lawsuit against Ford. The suit has since been dismissed.

Ford instituted the research project in an effort to locate documents that would shed new light on the historical facts. More than 45 archivists, historians, researchers and translators were involved in the effort to collect and study documents from three countries and two continents. Research was conducted on records held by the company and on records held by more than 30 public and private repositories in the United States, Germany and Great Britain. The project yielded more than 98,000 pages of source material.

## Historical Background of Ford Motor Company and Ford-Werke

Henry Ford founded Ford Motor Company in 1903 and was its president from 1906 to 1919, and 1943 to 1945. Ford-Werke was incorporated as Ford Motor

Company Aktiengesellschaft (AG) [joint-stock company] on January 5, 1925, in Berlin. A plant was built along the Rhine River in Cologne and opened in 1931. Ford’s direct and indirect ownership stake fluctuated widely from 1925 through the early postwar period.

At the start of World War II, 250 American firms owned more than \$450 million in assets in Germany. Ten of those firms owned 58.5 percent of the total. Ranked 16th by investment holdings, Ford held 1.9 percent of the total American investment. A chart showing the top 59 firms is attached as Appendix A, Investment of U.S. Companies in Germany, 1943.

Although Ford owned a majority interest in Ford-Werke, the Dearborn company’s control over Ford-Werke’s operations was constrained by Nazi policies aimed at limiting foreign influences in German businesses. The board meeting in April 1938 was the last one attended by an American or British member until after the war. On May 15, 1942, the Nazi government, through a court order, declared Ford-Werke enemy property, appointed a custodian and replaced the board of directors with a board of advisors. Heinrich Albert, a former German diplomat and prominent lawyer whose clients included major U.S. corporations doing business in Germany, was chairman of the board of directors from 1937 through

May 15, 1942, when he became chairman of the board of advisors through the end of the war. A list of all board members of Ford-Werke from 1925 through 1953 is attached as Appendix B, Board of Directors – Ford-Werke, 1925-1953.

Henry Ford remained opposed to war, except in direct defense of the United States, even after World War II began in Europe. However, in 1940, Ford Motor Company accepted a U.S. government contract to build aircraft engines, and Ford engineers assisted with design of the jeep. In March 1941, construction of Ford's Willow Run plant began. By early 1942, Ford was a major contributor to the Allied war effort. And by early 1944, Willow Run was the leading producer of heavy bombers for the U.S. military. See Appendix C, Ford's Contributions to the Allied War Effort, 1939-1945.

### **Nazi Economic Policies and Controls Over the Automotive Industry**

In 1933, Adolf Hitler's Nazi government instituted measures to extend its influence throughout German society. The regime promoted German self-sufficiency in raw materials and military production. Economic controls increased, particularly on foreign trade and currency transactions. In 1935, binding regulations required that automotive parts sold in Germany be German-made using German raw materials, and that they be standardized. Government policies regulated the industry, allocating and distributing raw materials based on approved production. Ford-Werke resisted standardization and rationalization, and its production initially fell.

### **German Industrial Mobilization and Preparations for War, 1936-1939**

In 1936, the Nazi government imposed the Four-Year Plan to make the economy self-sufficient. The underlying motive was military buildup. During the implementation of the Four-Year Plan, German firms with foreign connections were used to import raw materials in barter for exports. Ford and Ford-Werke entered an agreement with the German government in 1936, whereby Ford-Werke exported vehicles and parts

in exchange for licenses to buy crude rubber from Ford subsidiaries. German tire manufacturers got the rubber and the German government got 30 percent of the tires. Under later, broader agreements, Ford shipped other raw materials to Ford-Werke in exchange for parts. Some of the raw materials were distributed throughout Germany under government order. The allocation of raw materials to Ford-Werke was tied to the expansion of exports.

At the German government's urging, and with Ford's approval, Ford-Werke and a supplier produced troop carriers for the German military in Berlin. To meet government demands, Ford-Werke imported partially assembled U.S.-built trucks from Ford for assembly in Cologne in late 1938. The trucks were used in the invasion and occupation of Czechoslovakia.

### **Ford-Werke in the German Wartime Economy, 1939-1945**

After war broke out in September 1939, commercial transactions between the United States and Germany were difficult. Ford and Ford-Werke had problems communicating. In June 1941, the German government froze all U.S. assets in Germany. A postwar U.S. military investigation concluded that American influence over Ford-Werke decreased after the outbreak of war and ceased altogether in December 1941 with U.S. entry into the war.

As part of the wartime economy, Ford-Werke and its operations fell under the control of the German armaments ministry and other government agencies. In April 1941, the German government appointed Robert Schmidt, co-manager of Ford-Werke, to the position of Wehrwirtschaftsführer, one of the economic leaders who coordinated army needs with industry. A German Army Inspection Office was established at the plant.

Soon after the United States entered the war in December 1941, Ford-Werke was directly regulated by the Reich Commissioner for the Treatment of Enemy Property. On May 15, 1942, the Superior Court in Cologne declared Ford-Werke to be under enemy influence and appointed Schmidt, a German who had been a key manager at Ford-Werke since 1926, as

custodian. Schmidt was required to submit reports to the Reich Commissioner and to get approval for major business decisions. He was forbidden to have any contact with “enemy stockholders or their intermediaries” without approval from the Reich Commissioner, a Nazi official vested with broad authority over businesses whose controlling interests were based in countries at war with Germany. (The Reich Commissioner named Heinrich Albert as chairman of the board of advisors, the body which by government order replaced the board of directors.)

### **Military Production at Ford-Werke**

At the beginning of the war, Ford-Werke was one of the four largest automotive firms in Germany and manufactured cars, trucks, vans, tractors and other vehicles. During the war, Ford-Werke produced three-ton trucks, a half-track personnel carrier, spare parts and engines, and provided vehicle repair and reconditioning services. From September 1939 through early 1945, Ford-Werke produced between 87,000 and 92,000 vehicles, mostly for the German army, accounting for about one-third of Germany’s wartime military truck production. From 1938 to the end of the war, the Nazi government determined the type and number of vehicles to be produced by Ford-Werke and other manufacturers. By 1940, passenger car production was prohibited. Ford-Werke gradually switched to trucks and, after February 1941, produced only military vehicles and parts for Ford subsidiaries in occupied Europe. In March 1943, Schmidt was assigned by the armaments ministry to coordinate military production at Ford subsidiaries in all Axis territories in Europe. Ford-Werke production peaked in 1943. Operations were hampered in late 1944 due to supply shortages, dispersal and war damage.

Ford-Werke had ties to other government military contracts. In late 1939, the German authorities asked Schmidt to establish a new firm to manufacture war matériel. Without Ford’s prior approval, he and Albert joined with a supplier to manufacture military equipment in a separate facility using machinery and equipment from Ford-Werke. Schmidt described it as a strategy to permit Ford-Werke to continue manufacturing vehicles rather than war matériel. Also,

Ford-Werke sent mechanics and skilled workers to the Eastern frontlines to train soldiers in vehicle repair. Several independent Ford-Werke dealers were involved with their own repair shops set up and run by the army as quasi-military operations near Eastern combat zones. Jewish laborers were employed in at least one of these repair shops.

### **Foreign and Forced Labor at Ford-Werke**

#### *Overview - Germany*

From 1939 to 1945, millions of non-Germans were registered to work, usually forcibly, in factories, farms, mines and construction sites throughout the German Reich, as military conscription worsened an existing labor shortage. Most industrial companies in Germany applied for and used foreign workers during this time. The foreign work force comprised several different groups. The overall treatment of the various groups was determined by Nazi ideology and practice that placed foreigners on a scale according to race, nationality and gender. The foreign work force included: laborers recruited from German allies, who were paid and treated better than any other group of foreign workers; prisoners of war (POWs), who received only token wages; forced workers (civilians) taken from occupied territory in Western and Eastern Europe, the latter receiving lower wages and worse treatment than their Western counterparts; Italian Military Internees sent to Germany after Italy’s surrender in September 1943; and concentration camp inmates who worked unpaid, as slave laborers.

Large-scale use of foreign workers started almost immediately after the war began in September 1939 and was expanded after Germany occupied Western Europe in the spring of 1940. Extensive recruitment in the occupied territories of the Soviet Union began in early 1942, and evolved into a more coercive system. Forced workers were distributed to industries that requested workers through government labor offices. Eastern workers were subject to additional regulations enforced by guards and the Gestapo, and lived in separate camps surrounded by barbed wire. Their wages were lower than for Western and German workers, and they had to pay extra taxes. Their food rations were poor. Italian POWs sent to Germany after

the autumn of 1943 were often treated as poorly as Russian workers. In mid-1943, the SS began to send slave laborers from concentration camps to satellite camps, or subcamps, at companies throughout Germany in order to support the war economy. At first, concentration camp labor was restricted to construction work, bomb clearance and critical war industries. In August 1944, the automotive industry was permitted to apply for concentration camp labor. The government set the rules for payment, food, housing, clothing, working hours and reporting procedures. The SS guarded the prisoners. Wages were paid by the companies to the government; prisoners received no wages. Companies could deduct expenses for food and housing.

### Overview - Ford-Werke

Wartime use of foreign and forced labor at Ford-Werke generally followed the pattern described. Foreigners from Eastern and Western Europe, Italian POWs and men from the Buchenwald concentration camp were put to work at Ford-Werke. Foreign workers lived in barracks adjacent to the plant. The first contingent of POWs – between 100 and 200 men, possibly French – arrived at Ford-Werke in September 1940. This occurred after Ford-Werke, with an acute labor shortage, was asked by the government to quickly produce a large number of specialized motors for barges. By April 1942, more than 300 Eastern civilians were working there. The total number of forced laborers at Ford-Werke is hard to determine for several reasons: Some records provide general numbers, others provide numbers for selected groups or periods, and records differ in describing workers. The range shown in Ford-Werke's financial records for 1942 through 1944 goes from a low of 314 foreign workers in April 1942 to a high of 1,932 in August 1944. A chart, Labor Trends at Ford-Werke, shows the makeup of the work force from January 1941 through August 1944. See Section 7.3. of the report. See Appendix D, Numbers of Workers at Ford-Werke, January 1941-December 1944, for month-by-month statistical breakdowns for the period.

### Compensation for Foreign and Forced Workers at Ford-Werke

Few records are available regarding compensation. Postwar reports and interrogations of Ford-Werke

managers provide some information, as shown in a chart, Ford-Werke Wage Schedule During World War II, in Section 7.5. of the report. French and Italian POWs initially received less than Western civilian workers and had 60 percent of their pay deducted and sent to the POW camp that supplied the prisoners. Both groups eventually were reclassified as civilian laborers and received more pay, with deductions of 25 percent. Western civilian workers were paid about the same as German workers, minus deductions for those who lived on the premises. In keeping with government decrees, Eastern workers at Ford-Werke initially were paid less than all other workers, with women receiving less than men. Deductions for taxes and living expenses amounted to over half the pay for Eastern workers. In the autumn of 1943, Eastern workers' pay was increased and their deductions reduced. Postwar financial records from Ford-Werke include references to monies owed to former foreign workers. As of December 31, 1945, RM (Reichsmarks) 63,419 in unclaimed wages and salaries of foreign workers was in a blocked account at the Deutsche Bank, Cologne, by order of the military government. During 1947, the funds were transferred to a special account at the Deutsche Bank and thereafter do not appear in Ford-Werke's financial records. (In May 1952, the Allied High Commission asked the West German government to accelerate the collection of back pay owed to former POWs and foreign workers. As determined by the London Debt Conference, former workers were entitled to apply for the money that had been placed in financial institutions.)

### Conditions for Foreign and Forced Workers at Ford-Werke

The average workweek for all workers at Ford-Werke grew longer as the war continued, from 40 hours a week to 60 hours or more. Most former forced workers interviewed in recent years recalled doing manual labor in production; postwar documents indicate that Germans and foreigners worked together. Some POWs were sent to work at Ford-Werke supplier companies. Foreign and forced workers lived in wooden barracks adjacent to the plant, separated by nationality and supervised by plant guards and the Gestapo. The Eastern workers' camp was surrounded by barbed wire.

Western workers lived in an unfenced camp, or offsite. Some Western workers were allowed vacation time. Plant guards administered punishments, including house arrest, and foremen delivered punishments on the plant floor. Some arrests were made by German authorities, and there are indications that male and female forced laborers from Ford-Werke were imprisoned in the Gestapo prison in Cologne.

Food was prepared in kitchens according to nationality. Denazification files indicate that Russian workers and their children received poor food rations. Several foreign workers remembered that food was in short supply. Three physicians, several nurses and a dentist were responsible for medical needs in a medical barracks that included an operating room and separate men's and women's infirmaries. An air raid shelter was available for foreign and forced laborers. The foreign workers' camp sustained air raid damage in October 1944. The names of about 15 foreigners from Ford-Werke appear on surviving portions of Cologne death lists from the war, but without any indication as to the cause of death.

After the war, the chief physician was accused of performing unwanted abortions on Eastern forced laborers. The physician, Dr. Carl Wenzel, estimated there were 10 abortions on Eastern workers. He said the women chose abortion because of their circumstances. He said he initiated improvements in maternity and nursery facilities. Other medical staff corroborated his statements, as did some former Eastern workers who said he gave good care.

### **Slave Labor from the Buchenwald Concentration Camp**

In August 1944, shortly after concentration camp labor was made available to the automotive industry, 50 men from Buchenwald arrived at Ford-Werke. At any given time from August 1944 through February 1945, about 50 or fewer Buchenwald prisoners worked at Ford-Werke. Altogether, at least 65 different men were assigned there at one time or another. Sixteen SS men guarded the prisoners, who lived in separate barracks and performed outside work. Work records indicate the men worked seven days a week, six to 10 hours per day. A former worker recalled 12-hour days in production. Five inmates fled during 1944; one died at Ford-Werke.

In February and March 1945, shortly before the American army liberated Cologne, 48 Buchenwald inmates were transferred from the camp, and one fled.

### **Liberation at End of War**

The factory had become a combat zone during the final fighting in Cologne, and production was limited. Equipment and materials had been largely dispersed. American army units found 300 to 500 foreign workers living in the Ford-Werke factory, primarily in a large shelter. Foreign workers were sent to nearby displaced-person camps operated by the U.S. Army.

### **Ford-Werke's Relationship with Other Ford Facilities in Occupied Europe**

Several Ford subsidiaries in occupied Europe did business with Ford-Werke during the war. Ford-Werke coordinated production of Ford vehicles throughout occupied Europe. Shortly after the Germans overran Belgium, Holland, Luxembourg and France in 1940, the Germans appointed Schmidt commissioner for those properties. After the U.S. entry into the war, these subsidiaries were placed under the control of the Reich Commissioner for the Treatment of Enemy Property, who appointed Ford-Werke personnel as custodians. Ford-Werke had business ties to subsidiaries in other occupied countries and established its own subsidiaries in Austria late in the war. Ford-Werke had some involvement with Ford operations in countries allied with Germany early in the war.

### **Impact of the War on Communications**

With the rise of tensions in Europe in the late 1930s, the U.S. government began examining the economic activities of U.S. firms and their European subsidiaries. Monitoring increased after 1940. The U.S. government investigated correspondence between Ford and Ford of France, but closed the matter in 1943. No action was taken. Ford corresponded periodically with its German subsidiary and with subsidiaries in countries under German occupation until the U.S. entry into the war in 1941. Direct communications did not resume until after the war. The final Ford-Werke board meeting attended by a non-German board member occurred in April 1938. Ford, Ford of Britain and Ford-Werke

continued to have contact with subsidiaries in neutral countries. Allied liberation of France in August 1944 opened up some communications with subsidiaries in occupied Europe. A delegation from Ford of Britain visited Ford-Werke in May 1945 and drafted a report on Ford-Werke's activities during the war. The first known direct postwar communication between Ford and Ford-Werke was in November 1946.

## **End-of-War and Postwar Military Government Supervision**

Ford-Werke and other industrial facilities in Cologne were administered by U.S. military authorities from March to June 1945. In July 1945, Cologne became part of the British military occupation zone, and Ford-Werke was placed under British military government control. Erhard Vitger, a key manager at the plant before and during the war and a Dane, was appointed as custodian. Directors and shareholders had no authority, and permission had to be sought to transfer stock ownership and to do repairs. British military officials determined steel supply quotas, regulated production, approved prices and determined who received vehicles produced at the plant. Trade had to be approved by Allied authorities.

Limited operations resumed in March 1945, beginning with servicing and repair of U.S. military vehicles. The plant was authorized to produce new trucks from existing spare parts, and on May 8, 1945, V-E Day, produced its first postwar vehicle, a truck for the U.S. Army. After the British military government took over, Ford-Werke began repairing and producing trucks for the British military. Production in 1945 was limited by scarcity of raw materials and parts, and by war damage. In 1946, Ford-Werke increased production and began reconditioning motors for the British. Production dropped in 1947 because of supply problems, but climbed in 1948 and 1949. A summary is provided in a chart, Overview of Ford-Werke Postwar Production, May 1945-1949, in Section 10.3.

Investigations at Ford-Werke began immediately after the Allies occupied Cologne and continued for months. Military officers reported on conditions and operations, equipment dispersal, suppliers, operational

needs and the health of foreign workers and refugees. The U.S. military government undertook an in-depth investigation, completing an overview on June 21, 1945, and a detailed report in September 1945. Military authorities conducted personnel investigations at Ford-Werke in 1945 and 1946 as part of the denazification effort to rid Germany of National Socialism. Approximately 40 employees were arrested by the Allies. Most were released and later re-employed by Ford-Werke. Among them was Schmidt, who was cleared in 1947 and returned to work at Ford-Werke in 1950 as a technical adviser, with the support of Ford executives. He and Vitger served on the management board until 1958. Both served on the board of directors. Military government controls were removed gradually beginning in 1947. On August 8, 1948, Vitger became general manager. In December 1949, German courts formally ended the custody order that had been imposed on Ford-Werke on May 15, 1942, by the Nazi regime.

## **War Damage to Ford-Werke**

Early in the war, most damage was to parts in warehouses and materials in transit. In August 1944, bombs caused some damage. Twice in October 1944, the plant was targeted by bombs that damaged the proving grounds and the labor camps. In early March 1945, as the Allies moved into Cologne, artillery shells destroyed the recreation hall and shed buildings, damaged offices and a garage, and broke many windows in the plant.

Ford-Werke submitted war damage claims of RM 11,929,803 to the German government and received RM 361,181 for damages in 1941 and 1942. A 1942 law kept Ford-Werke from collecting subsequent damages from the German government. War damage claims were filed after the war with the U.S. government. In 1965, Ford submitted a claim for \$7,050,052 for losses and damage to Ford-Werke and its subsidiaries in Austria. The claim was based on \$12,461,427 in damages (the claim reduced in keeping with Ford's 56.575 percent ownership of Ford-Werke). A settlement commission agreed to award Ford \$785,321. An itemized list summarizing the 1965 claim is attached as Appendix E, War Damage Claims.



## Financial Overview of Ford-Werke

### Brief Financial History

From the time of its incorporation in 1925, Ford-Werke experienced periods of prosperity as well as instability as a result of management decisions and prevailing economic and political environments. In 1933, Ford-Werke completed a major upgrade to permit a new line of smaller cars to meet consumer demand. An earnings deficit forced a reorganization and change in the capital structure in 1934. An aggressive global exporting program began during the 1930s. Economic growth resulted in rising demand. In the late 1930s, Ford-Werke expanded capacity and increased investment in machines and equipment. Sales rose from 1940 through 1943, but fell in 1944 and 1945. Balance sheets and results of operations were affected by taxes, government controls on production and prices, war damages and related costs. Sales and production in 1946 were constrained by shortages of supplies. In the early 1950s, significant investments were made to increase the facility's productive capability and reduce per-vehicle costs.

### Balance Sheet Information

Currency reform and devaluation instituted by Allied military authorities in June 1948 is of significance in reviewing balance sheets. German currency changed from Reichsmarks to Deutsche Marks (DM). Companies had to devalue monetary assets and liabilities, but were allowed to revalue inventories, property, plants and equipment. As a result, Ford-Werke's cash balances, accounts receivable from customers and amounts payable to suppliers, all of which had increased significantly during the war, were devalued by 90 percent or more. Most buildings, machinery, equipment and inventory balances were revalued at higher amounts. The net result was a reduction in reserves and other stockholder equity accounts. In 1950, capital investments were made for expansion, modernization, reconstruction and repair from war damage. In 1951 and 1953, additional expansion was undertaken to meet demand for products. Ford-Werke's assets and liabilities, as reported in financial statements at key points during the war and in the postwar period, are presented in Appendix F, Ford-Werke Balance Sheets.

## Results of Operations/Net Income

A wide array of taxes and controls imposed by the Nazi regime affected sales, trading income, net income and production levels from 1939 to 1945. Trading income was a prominent performance measurement and was defined as sales less the cost of operations, excluding salaries and wages. Between 1933 and 1935, trading income rose as a result of increased sales and production. After price controls were enacted in 1936, trading income fell. Changes in taxes and controls, combined with other changes, resulted in generally increased trading income after 1939. Net income was flat in the mid-1930s but grew from 1938 until 1943, with losses in 1944 and 1945. Ford-Werke income fluctuation during the years 1933 through 1953 is shown in a chart, Net Income and Trading Income as a Percentage of Sales, Ford-Werke, 1933-1953, in Section 12.3. Additional detail is provided in Appendix G, Ford-Werke Results of Operations, 1933-1953.

## Capital Structure and Dividend Analysis

Ford's ownership in Ford-Werke evolved from nearly 100 percent at the outset to varying proportions of direct and/or indirect ownership. In 1943, as permitted by U.S. law, Ford recorded its investment in Ford-Werke as a total loss by establishing a reserve account equal to its investment balance (about \$8 million). In 1954, Ford restored its investment in Ford-Werke at about \$557,000, the estimated fair value at the time of recovery (August 8, 1948).

Ford-Werke's first shareholder dividends were payable in March 1930. At the time, Luxembourg was the only Ford entity with a direct interest in Ford-Werke. Payments were delayed or incomplete because Ford-Werke had to request permission from the German government. The next dividends were declared in 1938, when Ford controlled, directly and indirectly, 81 percent of Ford-Werke stock. These dividends were held in a blocked account because the German government prohibited distribution outside Germany. Dividends from 1939 through 1943 also were blocked. No further dividends were declared until 1950. In 1951, blocked dividends from 1938 through 1943 were devalued by 90 percent in the conversion from Reichsmarks to Deutsche Marks. Ford used the resulting funds (about \$60,000 in 1951 dollars) to

underwrite part of the cost of acquiring Ford-Werke stock held by I.G. Farbenindustrie AG (I.G. Farben), which was being liquidated.

### **Disposition of Research Findings**

Each of the 98,000 pages of source material collected for this project carries a unique alphanumeric label that specifies the document and page, and identifies the repository where the original document was located. Descriptions of each document have been entered into a searchable database. The database and collection are being donated (except where prohibited by privacy laws or regulations of the original repositories) to Henry Ford Museum & Greenfield Village, an independent, nonprofit educational institution unaffiliated with Ford Motor Company. At the museum, the donated collection and database will

be made available to the public at the Benson Ford Research Center. See Appendix H, Glossary of Repository Sources, for a guide to the repository abbreviations used in the document labels. See Appendix I (Bibliography) for a list of relevant published sources.

Ford Motor Company's goal in instituting this research project was to conduct a deep search for additional facts to supplement the historical record. Every effort was made to perform a thorough and comprehensive search. As additional information comes to light, Ford Motor Company will update the document collection and the database at the Benson Ford Research Center, an archival repository. The material collected as a result of this project will provide a significant resource for understanding the history of this period and of Ford-Werke under the Nazi regime.

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## Section 1

# INTRODUCTION / PROJECT BACKGROUND

### 1.1. Report Content

The following report summarizes information uncovered during a comprehensive, 3½-year investigation by Ford Motor Company (“Ford”) into the World War II activities of its German subsidiary, Ford-Werke AG (“Ford-Werke” [Ford-Works]).<sup>1</sup> The research was conducted in three countries and on two continents. More than 45 archivists, historians, researchers and translators worked in teams based in Dearborn, Michigan (where Ford Motor Company is headquartered), in Washington, D.C., and in Germany. The team in Germany, based in Hanover, searched repositories in Germany. Team members from Washington and Dearborn searched repositories in Great Britain.

This historical investigation yielded more than 98,000 pages of source material from more than 30 public and private repositories. The types of documents

located by this research project include Ford Motor Company correspondence, reports and financial records; military reports; Ford-Werke wartime correspondence, reports and ledgers; oral history interviews and interview transcripts; and other documentary information in both the English and German languages.

Research focused on the following topics:

- Nazi<sup>2</sup> economic policies and controls over the auto industry and Ford-Werke.
- German industrial mobilization and preparation for war.
- Ford-Werke’s role in the wartime economy.
- Military production at Ford-Werke.
- The use of foreign and forced labor at Ford-Werke.
- Ford-Werke’s relationship with other Ford facilities in occupied Europe.
- The impact of the war on communications between Ford and Ford-Werke.
- Postwar military government supervision of Ford-Werke.

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<sup>1</sup> During the time period covered by this report, the name of Ford’s subsidiary in Germany changed. It was incorporated in 1925 as Ford Motor Company Aktiengesellschaft (AG). See Section 2.3. The name was changed to Ford-Werke Aktiengesellschaft (AG) in 1939 and still is in place today. See Ford-Werke Records, File: Minutes of General Meetings and Board of Directors Meetings, 1925-1941, Board of Directors Meeting Minutes, June 8, 1939 (FW 0002849); and NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 37, Translation of No. 111 of the Notarial Register of 1939, July 21, 1939 (NARA 0000126). For the sake of simplicity and consistency, the German subsidiary will be referred to as Ford-Werke throughout this report.

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<sup>2</sup> **Nationalsozialistische Deutsche Arbeiterpartei** (NSDAP) [National Socialist German Workers’ Party] was the official name of Adolf Hitler’s Nazi party. See Louis L. Snyder, *Encyclopedia of the Third Reich* (New York: Marlowe & Co., 1976), p. 243.

- War damage to Ford-Werke.
- The finances of Ford-Werke during the war.

Documents collected for this project were tracked by means of an alphanumeric labeling system that indicates the source repository for every document and gives each page a unique identification number. These alphanumeric document and page identifiers are included in parentheses in the footnotes, along with source information.<sup>3</sup> Appendix H includes a glossary of the repository abbreviations used in the document identifiers. A bibliography of relevant published sources is attached as Appendix I. Copies of most of the research materials collected for this project are being donated, with a searchable database, to Henry Ford Museum & Greenfield Village, where they will be available to the public through the Benson Ford Research Center. (See Section 13.) In some cases, materials could not be donated because of privacy laws or regulations of the individual repositories. To enable research in these materials, the exact sources have been recorded in the footnotes and in the database.

Some documents, including many that are cited with English descriptions or titles, are in the German language. Wherever possible, one or more English translations also are cited. Monetary amounts are in the currency presented in the research materials. Conversions to U.S. dollar values are given if reliable exchange rate information is available. Throughout this report, including in the footnotes, the identities of some individuals have been obscured in accordance with German privacy laws. These laws stipulate that private information about any individuals who could still be alive may not be released. This restriction does

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<sup>3</sup> In the case of primary documents, the footnotes generally provide the following information about the original source: the abbreviation for the repository (see Appendix H), the collection (for example, record group or accession), the box number and the file title. The unique alphanumeric identifier refers to the specific page or pages cited. Secondary sources are identified with complete information about the author, title, publisher and date the first time a source is mentioned. Subsequent citations include the author's last name and a shortened version of the title. Page numbers are provided where applicable. Footnotes describe and refer to other relevant primary or secondary sources, and in some cases provide additional information pertinent to the text.

<sup>4</sup> Elsa Iwanowa et al. v. Ford Motor Company and Ford-Werke AG, U.S. District Court for the District of New Jersey, Civil Action No. 98-959, March 4, 1998.

not apply to individuals who served in public roles, including Ford-Werke management positions.

## 1.2. Origins of Project

This project was launched in January 1998, when Ford received an inquiry from the British Broadcasting Corporation (BBC) regarding the use of forced labor at Ford-Werke during World War II. Researchers at Ford's archives searched books and company records to help the company prepare a response to the inquiry.

On March 4, 1998, attorneys filed a class action lawsuit against Ford.<sup>4</sup> The suit has since been dismissed. The attorneys represented Elsa Iwanowa, a Belgian citizen who said she was abducted from Russia as a teenager by the Nazis during World War II and forced to perform heavy labor at Ford-Werke in Cologne, Germany. Some of the claims alleged by the attorneys contradict published histories about Ford-Werke's operations in wartime Germany. Among the inaccuracies suggested by the lawyers' complaint are the following:

- That Ford-Werke was treated differently from other American-owned companies in Germany, in that it was not placed under Nazi control when the United States entered the war.
- That executives of Ford Motor Company exercised control over Ford-Werke throughout the war years.
- That Ford and Ford-Werke knowingly utilized unpaid, forced labor to generate enormous profits.<sup>5</sup>

On March 4, 1998, Ford commented publicly in response to a report broadcast by the BBC and the lawsuit:

“First, it must be said that by anyone's measure

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<sup>5</sup> Studies which examine the history of Ford-Werke during this period include: Allan Nevins and Frank Ernest Hill, *Ford: Decline and Rebirth, 1933-1962* (New York: Charles Scribner's Sons, 1962), pp. 273-293; Simon Reich, *The Fruits of Fascism: Postwar Prosperity in Historical Perspective* (Ithaca: Cornell University Press, 1990), pp. 107-146; Mira Wilkins and Frank Ernest Hill, *American Business Abroad: Ford on Six Continents* (Detroit: Wayne State University Press, 1964), pp. 270-285.

this was one of the darkest periods of history mankind has known.

Over the years, we have relied on the work of a number of prominent historians who have researched and described events during World War II when the Ford Cologne plant was used to produce trucks for the Nazi government. Those historians and existing records report that the plant was under Nazi control during the war and not returned to Ford control until after the war by Allied military authorities. The management executive committee was disbanded and a custodian was appointed by the Nazi government.

However, the BBC story recently raised the issue of forced labor again and created a renewed awareness of the wartime situation more than 50 years ago.

Therefore, we have instituted an active and deeper search of Ford archives in the U.S. to see if there are additional facts available than those used by earlier historians. We also are instituting a similar search in Germany. This effort is complicated by the fact that many

records in Cologne were destroyed by two fires, one during and one after the war.

When we receive the results of this effort, we will proceed from there.”

Ford’s manager of Archives Services, Elizabeth W. Adkins,<sup>6</sup> was asked to plan, organize and implement a research effort to locate any documents that would shed additional light on the historical facts. To validate the thoroughness and objectivity of its research methodology, Ford retained a recognized authority on research methodology, Lawrence Dowler,<sup>7</sup> as an independent adviser. Another expert, Simon Reich,<sup>8</sup> a political scientist who has independently studied business history during the Nazi era, was retained to review and provide guidance on the research findings.

### 1.3. Project Scope

In addition to investigating the company’s privately held records in the United States, Great Britain and Germany, the research team searched records at the U.S. National Archives and Records Administration, the U.S. Holocaust Memorial Museum, the U.S. Library of Congress, the U.S. Department of Justice, the Public Record Office and the Imperial War Museum in Great Britain, several branches of the Federal Archives of Germany [Bundesarchiv], the Buchenwald archives [Archiv der Gedenkstaette Buchenwald], regional archives in and around Cologne, and a number of other

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<sup>6</sup> Elizabeth W. Adkins, a certified archivist, was manager of Ford Motor Company Archives Services at the time this project was launched. She has since been named to the position of manager of the Global Information Management department, which includes the Ford Motor Company Archives. She has had 20 years of experience in managing business archives, and has served in leadership roles in the Society of American Archivists, the Academy of Certified Archivists and the International Council on Archives. She has made presentations and published articles in the field of business archives.

<sup>7</sup> Lawrence Dowler is a librarian, archivist and historian. His 30-year career includes 16 years at Harvard University and 12 years at Yale University. He played a leading role in developing and implementing national standards for describing primary sources. At Harvard, he led an effort to create a “gateway” to research resources within the university and beyond, and subsequently published a book, *Gateways to Knowledge* (Cambridge, Mass.: M.I.T. Press, 1997) on these issues. He has published more than 25 other books, chapters and articles. At Yale University, he played a major role in developing a cataloguing format for machine-readable descriptions of manuscripts and archives, a format that became a national standard. He has done consulting work for leading universities, archives, libraries, foundations, and arts and cultural institutions. He was retained by Ford Motor Company in 1998 to perform an assessment of the objectives, methods and results of the research project summarized in this report.

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<sup>8</sup> Simon Reich holds an appointment as a professor at the Graduate School of Public and International Affairs and the Department of Political Science at the University of Pittsburgh. His areas of expertise include the study of Germany and of international political economy. He has authored or co-authored several books, including *The Fruits of Fascism: Postwar Prosperity in Historical Perspective* (Ithaca and London: Cornell University Press, 1990), *The German Predicament: Memory and Power in the New Europe* (Ithaca and London: Cornell University Press, 1997); and *The Myth of the Global Corporation* (Princeton, N.J.: Princeton University Press, 1998). He has authored articles in numerous journals. In 2001, he completed an appointment as the director of research and analysis at the Royal Institute of International Affairs, Chatham House, in London, focusing on trends and issues related to corporate social responsibility. He has received fellowships and grants from the Council on Foreign Relations, the Sloan Foundation, the Kellogg Foundation and others. He is a consultant to Ford Motor Company regarding the research project that is summarized in this report. His role has been to assist in locating materials, to read and comment on the research team’s findings, and to ensure that this report is an accurate reflection of the material collected.

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*Research Findings About Ford-Werke Under the Nazi Regime*

public repositories. The research has uncovered documents that detail business operations and circumstances at Ford-Werke before, during and

immediately following the Nazi era, and which help to clarify the issues being examined.

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## Section 2

# HISTORICAL BACKGROUND OF FORD MOTOR COMPANY AND FORD-WERKE

### 2.1. Establishment of Ford Motor Company

Ford Motor Company was founded in 1903 as an outgrowth of Henry Ford's design and manufacturing of motor vehicles, which began in 1896.<sup>9</sup> Henry Ford was the driving force behind the company and served as its president from 1906 to 1919 and again from 1943 to 1945.<sup>10</sup> In 1913, Ford's Highland Park, Michigan, factory first employed the use of a mass-production assembly line, a modernization often credited with changing both industrial history and modern life.<sup>11</sup> As a result, Ford dominated the automobile industry through the 1920s, gaining a 45 percent market share by 1925. However, due in part to increased competition from General Motors and Chrysler, and in part to the overcentralization of Ford's management structure, Ford's market share gradually declined. By 1941, its share was down to 20 percent.<sup>12</sup>

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<sup>9</sup> David L. Lewis, Mike McCarville and Lorin Sorensen, *Ford: 1903 to 1984* (New York: Beekman House, circa 1983), pp. 6-12.

<sup>10</sup> Ford Motor Company News Release, "Presidents of Ford Motor Company," April 29, 1997.

<sup>11</sup> Lewis, McCarville and Sorensen, *Ford: 1903 to 1984*, pp. 6-12; FMC, AR-65-92, Box 1, File: Annual Reports - Stockholders' Relations, Ford Motor Company 1952 Annual Report (FMC 0013783-0013784).

### 2.2. International Expansion

From the company's earliest days, the shareholders and the Ford family demonstrated a keen interest in establishing an international presence for Ford and its products. On October 15, 1903, shareholders instructed the board of directors to "take necessary steps to obtain foreign business." Ford's first foreign subsidiary was established in Canada in 1904. By 1907, Ford vehicles were being sold (mostly as imports) in the United Kingdom, France, Germany, Belgium, Spain, Holland, Italy, Denmark, Sweden, Austria, Poland, Russia, Australia, Africa, Asia and Latin America.<sup>13</sup> With the introduction of the Model T in 1908, the company established a "universal car" which became one of the most popular vehicles of all time, with a worldwide presence.<sup>14</sup>

The real growth for Ford and other American companies with investments in Europe came after World War I. In 1914, the book value of American direct investment in Europe was \$573 million. By

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<sup>12</sup> FMC, AR-71-20, Box 4, Draft of speech by Browning, 1947 (FMC 0011117-00111130) and Box 5, Breech, "The Ford Spirit: Ford in 1946," May 19, 1953 (FMC 0011131-0011134).

<sup>13</sup> Wilkins and Hill, *American Business Abroad*, pp. 1, 19 and 22-27.

<sup>14</sup> Wilkins and Hill, *American Business Abroad*, pp. 33 and 53; Floyd Clymer, *Henry's Wonderful Model T, 1908-1927* (New York: McGraw-Hill Book Company, Inc., 1955), p. 11.

1929, that amount had risen to \$1.3 billion (total worldwide American investment increased from \$2.7 billion in 1914 to \$7.6 billion in 1929). The number of American firms with service or manufacturing operations in Europe by 1929 exceeded 1,300.<sup>15</sup> At the start of World War II, 250 American firms owned more than \$450 million in assets in Germany. Ten of those firms owned 58.5 percent of the total. Ranked 16th by investment holdings, Ford held 1.9 percent of the total American investment.<sup>16</sup> A chart showing the top 59 firms is attached as Appendix A.

### 2.3. Establishment of Ford-Werke

Ford-Werke was incorporated in Berlin as Ford Motor Company Aktiengesellschaft<sup>17</sup> (AG) on January 5, 1925, and originally was headquartered in Berlin.<sup>18</sup> Assembly of trucks began in April 1926, followed by the manufacture of Model T's in June 1926. In 1929, Ford-Werke acquired a 52-acre tract of land on the banks of the Rhine River in Cologne, and on October 2, 1930, Henry Ford laid the cornerstone of a new manufacturing plant there. The plant opened in June

1931, despite economic difficulties throughout Germany.<sup>19</sup>

In October 1928, Ford reorganized its European operations, and Ford-Werke became a subsidiary of Ford of Britain, which was led by Sir Percival Perry.<sup>20</sup> Ford's stake in the German firm was reduced from a direct ownership of 99.9 percent to indirect ownership of 60 percent, through Ford of Britain.<sup>21</sup> After another reorganization in 1934, Ford-Werke again became a direct subsidiary of Ford when the American parent company assumed direct ownership of a majority of Ford-Werke shares. Although Ford's stake fluctuated over the years, it retained a majority ownership in Ford-Werke.<sup>22</sup>

### 2.4. Ford-Werke Board and Management

Ford-Werke's board of directors was reconstituted in 1929 as a result of the 1928 restructuring. In addition to Ford executives Charles Sorensen and Edsel Ford from the United States, and Sir Percival Perry and Sir John Davies from Great Britain, the new board included several German members for the first time.<sup>23</sup> Henry Ford wanted "the best farmer, the best lawyer, and the best industrialist" that Perry could find in Germany to serve on the new board. The farmer chosen was Alwin Schurig; the industrialist was Carl Bosch, general manager of I.G. Farbenindustrie (I.G. Farben).<sup>24</sup> The lawyer selected was Heinrich Albert, who had represented Ford-Werke on legal matters since the mid-1920s. Highly regarded as one of Germany's leading attorneys, Albert served as Germany's ambassador to the United States immediately after World War I and represented several other American firms operating in

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<sup>15</sup> Frank Costigliola, *Awkward Dominion: American Political, Economic, and Cultural Relations with Europe, 1919-1933* (Ithaca, New York: Cornell University Press, 1984), p. 149.

<sup>16</sup> NARA, RG 56, Acc. 56-68A-209, Box 38, File: TFR-500, Business Holdings in Germany of United States Firms, circa 1943 (NARA 0005992-0006838).

<sup>17</sup> Aktiengesellschaft denotes a joint-stock company.

<sup>18</sup> Ford-Werke Records, File: Minutes of Board Meetings, No. 6 of the Notarial Register for 1925 and Articles of Ford Motor Company Aktiengesellschaft, January 5, 1925 (FW 0004074-0004085; for English translation, see FW 0004086-0004098).

<sup>19</sup> Wilkins and Hill, *American Business Abroad*, pp. 139, 204, 206 and 234.

<sup>20</sup> Sir Percival Perry later became Lord Percival Perry.

<sup>21</sup> HFM, Acc. 713, Box 11, File: Corporate Structure, European Operations, Preliminary Report, February 20, 1948 (HFM 0002640-0002642).

<sup>22</sup> FMC, AR-75-62-616, Box 57, File: Investments 1951-52, Mellema to Edwards, January 25, 1952 (FMC 0003293-0003306); FMC, AR-75-62-616, Box 23, File: European Countries - Investment Ledger, Ford-Werke AG, no date (FMC 0000346-0000350); Coopers & Lybrand Records, Lybrand, Ross Bros. & Montgomery to Henry Ford II, March 19, 1948 (CL1 0000316-0000318); Wilkins and Hill, *American Business Abroad*, pp. 193-195.

<sup>23</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Ford, 1925-1946, by Erhard Vitger, September 24, 1946, hereafter Vitger Report (FMC 0001967).

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<sup>24</sup> HFM, Acc. 880, Box 7, File: Germany, Notes on interview with Heinrich Albert, July 26, 1960 (HFM 0000880). Bosch was general manager and chairman of the board of directors of I.G. Farben, one of the largest and most powerful firms in Germany. After Bosch's death in 1940, he was replaced by Carl Krauch, who had become chairman of I.G. Farben; see Appendix B. On April 24, 1929, I.G. Farben organized a U.S. subsidiary, American I.G. Chemical Corporation, later known as General Aniline and Film Corporation. Edsel Ford was a director, but he never attended any board meetings and resigned in 1941; see NARA, RG 60, Entry 285B, Box 78, File: General Aniline and Film, History and Analysis of the Control of General Aniline and Film Corporation, October 1, 1941 (NARA 0003920-0003928).



Germany in the 1920s and 1930s.<sup>25</sup> He was elected to the board on March 27, 1930, became chairman of the board on June 11, 1937, and was the first German to hold the chairmanship.<sup>26</sup> Albert would play an important role in shaping the development of Ford-Werke. Henry Ford II would later refer to him as “the founding father of Ford Germany.”<sup>27</sup> (A list of all board members from 1925 through 1953 is attached as Appendix B.)

<sup>25</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 107, File: Targets - Industrial, Memo by Schmidt on Albert, June 22, 1945 (NARA 0006855); HFM, Acc. 65, Box 67, File: Sorensen Final 67-5, Oral History of Charles Sorensen, January 1953 (HFM 0005529-0005531); NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc., Report of interrogation of Albert, September 16, 1945 (NARA 0007168-0007173). In a postwar memo and attachment, Albert said he provided legal advice to several large American companies that were doing business in Germany in the 1930s and tried to protect their interests during the war. In addition to Ford, his clients included IBM, Gillette, Woolworth, Chase National Bank, DuPont and Colgate Palmolive. See WNRC, Acc. 299-68A-0243, Box 540, File 96/4, Memo from Albert, July 16, 1945 (DOJ 0010430-10434). Erhard Vitger, a co-manager of Ford-Werke, said in a postwar interview that Albert was a man of great experience and very clever, a diplomat, and that Vitger had learned a great deal from him. Albert had a law office in Berlin and stayed there rather than in Cologne. See HFM, Acc. 880, Box 7, File: Germany, Interview with Erhard Vitger, July 15, 1960 (HFM 0000884-0000885). According to historians Mira Wilkins and Frank Hill, Albert kept himself fully informed about Ford-Werke and participated in negotiations with the government and industry; see Wilkins and Hill, *American Business Abroad*, p. 233.

<sup>26</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001967); Ford-Werke Records, Board of Directors Meeting Minutes, June 11, 1937 (FW 0002829).

<sup>27</sup> FMC, AR-71-20, Box 38, Remarks by Henry Ford II to London Dealers Meeting, December 21, 1979 (FMC 0013389). In a postwar memo, Schmidt said Albert had the trust of the Americans and the Fords; see NARA, RG 407, Entry 368B, Box 1032, Report on Investigation of Ford-Werke, by Henry Schneider, September 5, 1945, hereafter Schneider Report, Exhibit 3, Memo by Schmidt on relations between Albert and himself, August 13, 1945 (NARA 0000051). Historians Mira Wilkins and Frank Ernest Hill described Albert this way: “Writing and speaking English with ease, widely traveled in Europe and the United States, learned in the law, familiar with the automobile industry, he had unusual talents for shaping company policy.” See Wilkins and Hill, *American Business Abroad*, pp. 233 and 271. Historian Allan Nevins wrote that, in more favorable circumstances, Albert might have become a statesman of eminence; see Nevins’ introduction to Wilkins and Hill, *American Business Abroad*, pp. xii-xiii. See Section 5.4. for information about Albert’s arrest and imprisonment in 1944 for suspected involvement in an assassination attempt against Hitler. During World War I, before he was associated with Ford

Edsel Ford, Henry Ford’s son and the president of Ford Motor Company, had served on Ford-Werke’s board since its incorporation, although he did not take an active part in the business and generally only attended board meetings when they discussed issues of special importance.<sup>28</sup> Sorensen, the head of Ford’s worldwide production, was more directly involved with Ford’s overseas operations. As Sorensen recalled in his memoirs, Edsel Ford “confined himself largely to administrative work. I was in charge of production and plant operation.”<sup>29</sup> Sorensen visited Europe yearly and attended most of the board meetings held each year.<sup>30</sup> He also communicated regularly with Ford-Werke throughout the 1930s on a variety of issues relating to

Motor Company, Albert came to the United States as a purchaser for the German government. In July 1915, he left his briefcase on a train in New York City. It was picked up by a U.S. Secret Service agent who was following Albert’s companion. The briefcase was full of documents describing German-instigated sabotage, subsidies of newspapers in America, and plans to acquire or control chemicals, munitions and other goods. The U.S. Secretary of State concluded that while the papers offered no basis for legal action, they revealed activities in violation of U.S. neutrality laws, and he leaked the contents to the press. Despite the ensuing controversy, the evidence against Albert was considered “not convincing,” and he was allowed to stay in the United States. He returned to Germany in February 1917. See NARA, RG 131, Entry 247, Box 170, File: Germany - General File Vol. II, Memo from Krauss to O.A. Schmidt and Ball, May 11, 1943 (NARA 0002511-0002514); Johannes Reiling, *Deutschland: Safe for Democracy? Deutsch-amerikanische Beziehungen aus dem Tätigkeitsbereich Heinrich F. Alberts, kaiserlicher Geheimrat in Amerika, erster Staatssekretär der Reichskanzlei der Weimarer Republik, Reichsminister, Betreuer der Ford-Gesellschaften im Herrschaftsgebiet des Dritten Reiches 1914 bis 1945* (Stuttgart: Franz Steiner Verlag, 1997), pp 216-242; and NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations - Miscellaneous, Report of Interrogation of Heinrich Albert, September 16, 1945 (NARA 0007170). See also HFM, Acc. 50 - Telegrams, Box 2, File: February 1-10, 1945, Telegram from Donohue to Thompson, February 7, 1945 (HFM 0000186); and NARA, RG 260, Box 486, File: Dr. Heinrich Albert 14 470, Memos from Cassoday and Kagan, May 12 and May 28, 1948 (NARA 0004373).

<sup>28</sup> HFM, Acc. 507, Box 98, File: Cologne 1934-1935, Albert to Sorensen, February 8, 1935 (HFM 0004042-0004044); HFM, Acc. 285, Box 2093, File: 1230, Edsel Ford to Diestel, January 4, 1939 (HFM 0000011); HFM, Acc. 880, Box 7, File: Germany, Notes on interview with Heinrich Albert, July 26, 1960 (HFM 0000880) and Interview with Erhard Vitger, July 15, 1960 (HFM 0000886-0000888).

<sup>29</sup> Charles Sorensen, with Samuel T. Williamson, *My Forty Years with Ford* (New York: W.W. Norton & Company, 1956), p. 37.

<sup>30</sup> HFM, Acc. 67, Charles Sorensen Oral Reminiscences (Excerpts), no date (HFM 0001374-0001375).

production at the facility, changes in management personnel and general policy questions.<sup>31</sup>

During the 1930s, Ford-Werke faced a number of business challenges and problems that impacted the management of the company. Worldwide economic distress caused by the Great Depression was a factor, as were the American image of the company in light of increasing German nationalism and the growing influence of the Nazi party and ideology. During this period of economic and political difficulties, two successive Ford-Werke managers were forced out of their jobs amid questions about their qualifications and performance.<sup>32</sup>

As part of the restructuring of international operations in 1928, Ford had emphasized the use of nationals in the various countries where it did business. However, Edmund Heine, a German-born naturalized

American, was appointed Ford-Werke manager in September 1929.<sup>33</sup> By 1931, when the Cologne plant was completed, business conditions in Germany were worsening. An accountant sent from England to examine the Ford-Werke books in the autumn of 1931 produced a scathing report of waste and inefficiency. In 1933, the company was a deficit operation and was still foundering in 1934.<sup>34</sup> Meanwhile, the German authorities had made it increasingly clear that Heine was not acceptable to them.<sup>35</sup> Albert and Bosch recognized problems with Heine's management of the company and his relations with the government and public, but had no German candidate to replace him.<sup>36</sup> By early 1935, Albert, Bosch and board members had sent word to Dearborn that the situation was "unworkable" and Heine was "muddling things."<sup>37</sup> An auditor sent from Dearborn submitted a strongly critical report on Ford-Werke operations on May 24, 1935. Among other problems, it described "loose management and supervision" and indicated that many

<sup>31</sup> See, for example, HFM, Acc. 6, Box 262, File 1930 Berlin, Board Meeting Minutes, June 27, 1930 (HFM 0006560); HFM, Acc. 38, Box 28, File: Cologne - List C, Sorensen to Albert, February 8, 1935 (HFM 0003623-0003624); and NARA, RG 407, Entry 36BB, Box 1032, Schneider Report, Exhibit 118, Albert to Sorensen, December 1, 1937 (NARA 0000321). For more on Ford Motor Company's working relationship with Ford-Werke, see HFM, Acc. 65, Box 56, File: Roberge - Draft, Reminiscences of Russell Roberge, 1954-1955 (HFM 0005142-0005200) and Wilkins and Hill, *American Business Abroad*, p. 110.

<sup>32</sup> Wilkins and Hill, *American Business Abroad*, pp. 233-236 and 270-283; see also Section 3 and Section 12.

<sup>33</sup> Ford-Werke Records, Board of Directors Meeting Minutes, September 23, 1929 (FW 0002697). Prior to Heine, Ford-Werke employed two general managers: Hugh Stanley Jenkins (1925) and George Carlson (1926-1929). See Ford-Werke Records, Notarial Register Entry No. 89, August 18, 1925 (FW 0002650) and Notarial Register Entry No. 99, March 15, 1926 (FW 0002653-0002655); and Wilkins and Hill, *American Business Abroad*, p. 233.

<sup>34</sup> Wilkins and Hill, *American Business Abroad*, pp. 233-235 and 273. Heine's chief associates agreed later that his appointment had been a mistake.

<sup>35</sup> The German authorities' grounds for objecting to Heine were "his inability, insincerity [sic] both inside and outside of the Ford Motor Company, and general tendency to maneuver the business for his personal benefit rather than to build up the business." They also considered Heine unfit to lead German workmen because he was born a German, became a naturalized American and then returned to Germany to earn his fortune and "overlorded" his position a bit. See FMC, AR-98-213541, Box 131, File: Supplemental-Excerpt from Ford-Cologne-1930s, Diefenbach to Roberge, September 12, 1935 (FMC 0006541-0006544). In early 1934, Charles Sorensen asked Heine to become a German citizen. Heine replied that he would be willing to take such a "far-reaching" step (because the company

apparently considered his citizenship a "serious handicap") only if he could be assured that his job was secure. See HFM, Acc. 572, Box 16, File: Germany 1930s, Heine to Sorensen, January 22, 1934 (HFM 0006230). In a 1941 statement to the U.S. Federal Bureau of Investigation, Heine said that other German automobile concerns had sent a letter to Hitler saying that Heine escaped to the United States from Germany shortly before World War I. The letter accused Heine of making ammunition to be used against his native countrymen. Heine told the FBI that this letter caused Hitler to blacklist Ford-Werke's products to the extent that all government institutions were ordered to refrain from purchasing Ford-Werke vehicles. Heine also told the FBI that his American citizenship was resented by German automotive manufacturers who, as a result, fought Ford-Werke "at every turn" and eventually took legal action to try to prevent the company from advertising its vehicles as German products (See Section 4.2.). See NARA, RG 60, Box 24, File: 146-43-278, Federal Bureau of Investigation File No. 100-7886, October 16, 1942 (NARA 0007527); and Ford-Werke Records, Ford Motor Company A/G Board of Directors Meeting Minutes, September 6, 1933 (FW 0002763-0002764).

<sup>36</sup> Wilkins and Hill, *American Business Abroad*, p. 271. In a letter to Sorensen after Heine's departure, Albert recounted a conversation he had had with Commerce Minister Wilhelm Keppler, Hitler's economic adviser. Keppler said that Heine "had made a point of affronting all departments concerned," referring to the party and the authorities. In the same letter, Albert lamented that Heine had caused problems for the company with the German public by describing Ford-Werke's vehicles as "German" when in fact they were not yet made entirely of German parts. "This misrepresentation will always be cast in our teeth." See HFM, Acc. 38, Box 33, File: 168-F-1 Jan-Jun, Albert to Sorensen, January 20, 1936 (HFM 0000457-0000465).

<sup>37</sup> HFM, Acc. 6, Box 292, File: 1935-Cologne, Bosch et al. to Edsel Ford, January 22, 1935 (HFM 0000528).

employees were unqualified.<sup>38</sup> Four days later, on May 28, 1935, the Ford-Werke board accepted Heine's resignation.<sup>39</sup>

Albert had always known of Heine's deficiencies, but he had hesitated to recommend his dismissal because of the chance that the German government might interfere with suggestions of its own as to who should be the manager of Ford-Werke.<sup>40</sup> As Albert noted in a letter to Sorensen, it was exceptionally difficult to find a suitable person. Due to the boom in the German automobile industry and the antagonism against Ford-Werke as a foreign company, no "efficient man" would leave a German automotive firm to join Ford-Werke.

<sup>38</sup> HFM, Acc. 415, Box 1, File: Ford-Werke Audit Reports, Audit Report, May 24, 1935 (HFM 0004309).

<sup>39</sup> Ford-Werke Records, Meeting Minutes, May 28, 1935 (FW 0002807-0002811); FMC, AR 68-5: 1-8, Box 8, File: International - Executive Files, Memo on Liebold, circa 1944 (FMC 0014148). In 1942, Heine was convicted of two counts of espionage in the United States and sentenced to 18 years imprisonment for providing the Volkswagen Werke with information on the American aviation industry. The conviction on the second count was reversed on appeal in 1945. Heine testified that he had used public sources for the information, and the court held that whatever was lawful to be broadcast throughout the country was lawful to be sent abroad. See NARA, RG 60, Box 24, File: 146-43-278, Memo from Assistant Attorney General to the Attorney General, November 21, 1945 and Memo from Assistant Attorney General to Solicitor General, December 12, 1945 (NARA 0007584-0007598). After his release, Heine returned to the Detroit area and operated a hardware store. See HFM, Acc. 65, Box 41, File: Liebold (115) 41-5 Final-Folder 9, Reminiscences of E.G. Liebold, January 1953 (HFM 0005001).

<sup>40</sup> HFM, Acc. 507, Box 98, File: Cologne 1934-1935, Albert to Sorensen, February 8, 1935 (HFM 0004034-0004035). As early as 1933, Perry had begun to warn Edsel Ford and Sorensen that the Nazis were putting their nominees everywhere under the flimsiest of excuses. Sorensen pictured the situation in Germany much the same as in America, which was experiencing numerous difficulties with a new political regime. However, Perry informed Sorensen that it was extremely difficult to form an accurate opinion of the political and economic conditions prevailing in Germany. "Most certainly you cannot judge them by any analogy or comparison with American conditions." See HFM, Acc. 572, Box 16, File: Germany 1930s, Perry to Edsel Ford, June 15, 1933 (HFM 0006172-0006173). Perry continued to advise Dearborn that it was desirable to avoid giving German politicians any opening to interfere with economic affairs. See HFM, Acc. 572, Box 16, File: Germany 1930s, Perry to Sorensen, December 19, 1933 (HFM 0006146-0006147), Sorensen to Perry, January 30, 1934 (HFM 0006152-0006153), Perry to Sorensen, March 13, 1934 (HFM 0006155-0006156), Perry to Sorensen, March 13, 1934 (HFM 0006157-0006158) and Perry to Sorensen, September 4, 1934 (HFM 0006170-0006171).

There was no choice but to take an industry outsider, Albert wrote. He chose Erich Diestel, a lawyer and former manager of the Berlin Electric Works, because "the information collected on him is excellent." Albert and Bosch reasoned that Diestel's lack of automotive experience would be an advantage because he could learn Detroit methods and would not try to pursue his own course.<sup>41</sup> The Ford-Werke board appointed Diestel as manager on the day Heine's resignation was accepted.<sup>42</sup>

Three months later, E.J. Diefenbach, a Ford employee who had been sent from Dearborn to help Cologne with sales, was informed by a Ford dealer in Hamburg that Diestel "appears to be a Jew."<sup>43</sup> About the same time, several highly placed Nazis approached Diefenbach in an attempt to open a direct line of communication with Dearborn. Diefenbach bypassed Albert and wrote a long letter to Dearborn detailing the Nazis' concerns about business issues at Ford-Werke

<sup>41</sup> HFM, Acc. 507, Box 98, File: Cologne 1934-1935, Albert to Sorensen, February 11, 1935 (HFM 0004036-0004039). Diestel's inexperience was noted by the May 1935 audit report that had faulted Heine's performance. The report said that Diestel "lacked the essential qualifications for the job." His business experience had not been along manufacturing lines, and he had no experience whatever in automotive manufacturing, sales or service. See HFM, Acc. 415, Box 1, File: Ford-Werke Audit Reports, Audit Report, May 24, 1935 (HFM 0004310). Some authors have written that Diestel previously worked for Albert at a German steamship company or companies. See Wilkins and Hill, *American Business Abroad*, p. 275; Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, p. 96; and Reiling, *Deutschland: Safe for Democracy?*, pp. 363-364. Another author wrote that Diestel knew of Albert through his connections. See Hanns-Peter Rosellen, *Und Trotzdem Vorwärts: Ford in Deutschland 1903-1945* (Frankfurt: Zyklam-Verlag, 1986), p. 115. In a letter to Sorensen in August 1935, however, Albert expressly stated that he did not know Diestel before discussing the possibility of his becoming Ford-Werke manager. See HFM, Acc. 38, Box 28, File: Germany - Cologne - List "F," Albert to Sorensen, August 23, 1935 (HFM 0001938).

<sup>42</sup> Ford-Werke Records, Board of Directors Meeting Minutes, May 28, 1935 (FW 0002808-0002811).

<sup>43</sup> HFM, Acc. 38, Box 28, File: Cologne List E, Ohlsen to Diefenbach, August 19, 1935 (HFM 0003765) and Director of Hamburg Electricity Works to Ohlsen, August 19, 1935 (HFM 0003766). The dealer forwarded a letter from a director of Hamburg Electrical Works describing the lineage of Diestel's mother, whose paternal grandfather was a "Jewish merchant." The letter said that Diestel had been forced to give up his job at the Berlin Works when it was discovered that he had claimed "Arian [sic] descent" when applying for membership in the Nazi party.

and their distrust of Albert. The letter indicated that Albert had promised the German commerce minister that a man would be appointed whom the government could trust. The choice of Diestel – “an inexperienced man, and particularly a man rated as a Jew” – was “the last straw” for Albert with the government, Diefenbach wrote. He indicated that the commerce minister, who was directly under Hitler, was very much incensed by Albert’s “latest mistake,” and the government could not prevent discrimination against Ford products in Germany if Diestel were not replaced.<sup>44</sup> Reacting to the letter, which was addressed to Russell Roberge, Sorensen reassured Albert that everyone in Dearborn had been impressed with the way that Diestel had devoted himself to the problems of the German business, and that the Diefenbach correspondence file was being returned to Germany. “It is a matter that

requires no record here,” Sorensen wrote.<sup>45</sup> Albert emphasized to Sorensen that he would “fight every effort ... to interfere with our private business.” That did not, unfortunately, exclude the possibility that “the Jewish question” could materialize into real sales resistance, Albert wrote.<sup>46</sup>

In 1936, correspondence indicates increased government pressure regarding business matters of Ford-Werke.<sup>47</sup> At the same time, it was becoming apparent to Ford-Werke management that Diestel sometimes had “particular ideas which did not coincide with Ford methods and tradition.”<sup>48</sup> There were discussions about replacing Diestel with the manager of a German firm that was being considered for a merger with Ford-Werke.<sup>49</sup> (See Section 3.3. for more on the proposed merger, which fell through.) In June, Perry wrote to Sorensen that it was a great pity that after all the money that had been spent in training Diestel, it looked as though he would have to go.<sup>50</sup> Two weeks later, in another letter to Sorensen, Perry noted that it was hard for both of them to properly appreciate the German situation, but that he was not optimistic. Perry subsequently informed Sorensen that Albert had

<sup>44</sup> FMC, AR-98-213541, Box 131, File: Supplemental - Excerpt from Ford-Cologne - 1930s, Diefenbach to Roberge, September 12, 1935 (FMC 0006541-0006544). In his letter, Diefenbach said Albert was “in a very dangerous position” and the Nazis would have him in a concentration camp within 48 hours if he tried to interfere with Diefenbach’s attempt to convey the Nazis’ concerns about Ford-Werke directly to Dearborn. See Section 3.3. for more information about Ford-Werke and the German government during this period.

<sup>45</sup> Sorensen wrote that he felt that Albert knew “all there is to know about him [Diestel]” [emphasis Sorensen’s]. He called Diefenbach “a fool” for trying to bypass Albert by writing the letter to Dearborn after Sorensen had instructed him to deal with Albert. See FMC, AR-98-213541, Box 131, File: Ford Cologne 1930s - Nazi Influence, Sorensen to Albert, September 18, 1935 (FMC 0018709). In a postwar oral history interview, Roberge said he did not believe he ever heard Diestel’s background discussed at Dearborn. He said it was very unfortunate, in view of the attitude of the Nazi party, which had absolute control over everything in Germany, to find that Diestel did have Jewish blood, “but as far as I know there was no effort on the part of anyone at this end to have him dismissed ... I don’t believe we realized the extent of the situation in Germany in regard to people of Jewish ancestry.” See HFM, Acc. 65, Box 56, File: Roberge - Draft, Reminiscences of Russell Roberge, 1954-1955 (HFM 0005173-0005174).

<sup>46</sup> HFM, Acc. 38, Box 28, File: Cologne List E, Albert to Sorensen, October 2, 1935 (HFM 0003763-0003764). In a letter to Sorensen the following day, Albert acknowledged that it must appear ridiculous to Sorensen that the fact of having a non-Aryan grandparent could cause so much discussion about Diestel. He agreed that it was ridiculous, and that they would overcome it without detriment to the business, but that they had to take such things seriously in Germany “according to the present mentality of the people; it will pass.” See HFM, Acc. 38, Box 28, File: Cologne List E, Albert to Sorensen, October 3, 1935 (HFM 0007297-0007298).

<sup>47</sup> See, for example, HFM, Acc. 38, Box 33, File: 16-F-1 Jan-Jun, Albert to Sorensen, January 20, 1936 (HFM 0000457-0000465). One of those matters was a proposed merger between Ford-Werke and a German firm, Stoewer-Werke, AG. Although favored by the Nazis, the plan was dropped due to opposition from Dearborn. Albert wrote in August 1936 that while the merger was pending, “nobody dared attack us.” However, after the merger was rejected by Dearborn, it seemed as if Ford-Werke would never get any government business. See HFM, Acc. 6, Box 97, File: 1935 - Cologne, Albert to Edsel Ford, August 17, 1936 (HFM 0000542-0000551). For more information on the impact of the merger failure, see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 99A, Memo by Bussien on army truck of the Reich War Ministry Weapons Office, June 15, 1937 (NARA 0000284; for English translations, see NARA 0000283 and NARA 0005877-0005878). See also Section 3.3.

<sup>48</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 120, Memo by Schmidt on command car, July 26, 1945 (NARA 0000326). For more commentary on Diestel’s management style, see HFM, Acc. 65, Box 72, File: Tallberg (214) Final 72-1, Reminiscences of V.Y. Tallberg, July 1956 (HFM 0004840-0004845) and Box 56, File: Roberge - Draft, Reminiscences of Russell Roberge, 1954-1955 (HFM 0005171).

<sup>49</sup> HFM, Acc. 38, Box 33, File: Item “D,” Sorensen to Albert, June 18, 1936 (HFM 0007300).

<sup>50</sup> HFM, Acc. 38, Box 33, File: January to June - Item “F,” Perry to Sorensen, June 29, 1936 (HFM 0000496-0000497).

been subjected to continuous bombardment by party officials about Diestel and had to virtually promise that he would make a change. Perry advised Albert to dispense with the services of Diestel, “by no means the right man in the right place 100%.”<sup>51</sup> Albert’s suggestion was to designate Robert Schmidt (assistant manager in charge of purchasing<sup>52</sup>) and Erhard Vitger (the company’s chief clerk<sup>53</sup>) as co-managers. In a letter to Perry, Sorensen wrote that he was “very much disturbed” by Albert’s attitude toward Diestel, because he would be spoiling something that was really functioning. Schmidt was “absolutely incapable.” And Vitger, though “thoroughly reliable and responsible,” was “inexperienced,” Sorensen wrote. In spite of whatever the government thought of Diestel, “our business is prosperous, and we have sold more cars during the past year than we ever did before. Whatever you do, don’t let Dr. Albert disturb this. He is altogether too impressed with the necessity of co-operating with the Government Authorities.”<sup>54</sup> Perry wrote back to say that he and Edsel Ford agreed that a joint management arrangement with Vitger and

Schmidt would never work. With regard to Diestel, Perry said that Albert had agreed to “hold his hand” until a better suggestion for alternative management could be found.<sup>55</sup>

Diestel remained on the job. However, during 1937 and 1938, his management style and actions drew criticism from Sorensen and other executives in Dearborn as well as Perry, Albert and members of the Ford-Werke board, who reacted to “a certain tendency on the part of Mr. Diestel ... to dictate.” Dearborn executives criticized him for disregarding specific management directives and Ford business policies.<sup>56</sup> Albert and Diestel each complained to Dearborn about growing tensions.<sup>57</sup> In the summer of 1938, Diestel was chastised by Sorensen and Albert for separate

<sup>51</sup> HFM, Acc. 38, Box 33, File: Item No. 3 - Germany 1936, Perry to Sorensen, July 14, 1936 (HFM 0002861-0002864).

<sup>52</sup> HStAD, NW 1049/76620, Military Government questionnaire of Schmidt, June 19, 1946 (HSAD 0791).

<sup>53</sup> HFM, Acc. 415, Box 1, File: Ford-Werke Audit Reports, Audit Report, May 24, 1935 (HFM 0004310).

<sup>54</sup> HFM, Acc. 38, Box 33, File: Item No. 3 - Germany 1936, Sorensen to Perry, July 29, 1936 (HFM 0002717). In August 1936, Edsel Ford traveled to Cologne and, according to Sorensen, calmed Albert down. See HFM, Perry to Sorensen, August 18, 1936 (HFM 0007301) and Sorensen to Perry, August 31, 1936 (HFM 0007302). As Edsel Ford was leaving to return to Dearborn, Albert handed him a confidential letter and report. Albert wrote that anti-Semitism had become an established national policy in Germany. A new wave of anti-Semitism would exploit the fact that Diestel had Jewish ancestors; already, it was impossible for Diestel to attend certain conferences with authorities and Nazi party departments. Albert believed that his attempts to protect Diestel had to be considered a failure. The assumption had been that the anti-Semitic movement would diminish, he wrote, but instead it was “on the ascent.” Now, Albert anticipated “increasing pressure” in the future. Albert also wrote that Diestel was being given too much credit for Ford-Werke’s present success. It was through Dearborn initiatives that production and sales departments were reorganized and quality was again “first class.” The financial reconstruction of the company took place before Diestel joined Ford-Werke, Albert wrote. See HFM, Acc. 6, Box 97, File: 1935-Cologne, Albert to Edsel Ford, August 17, 1936 (HFM 0000542-0000551).

<sup>55</sup> HFM, Acc. 38, Box 33, File: Germany July-December 1936, Perry to Sorensen, August 18, 1936 (HFM 0007301). In this letter, Perry mentioned that the situation was “complicated” regarding the manager from the company involved in the merger talks. The man had been discharged by the company in question, and “it would not be easy for Ford Motor Company A/G to hire him, even if he wished to enter the Company’s employ.”

<sup>56</sup> HFM, Acc. 712, Box 5, File: German Pig Iron, Albert to Craig, September 20, 1937 (HFM 0004692-0004695). In a letter to Ford executive B.J. Craig, Albert reported that the Ford-Werke board added Robert Schmidt and Erhard Vitger to the management structure partly because of Diestel’s behavior. The criticisms levied against Diestel included such things as violating company policy by making loans to dealers; see HFM, Acc., 38, Box 38, File: Germany Jan-Jun 1937, Edsel Ford to Diestel, April 2, 1937 (HFM 0001996). For other examples, see HFM, Acc. 38, Box 38, File: Germany Jan-Jun 1937, Craig to Sorensen, May 12, 1937 (HFM 0002018), Memo to Sorensen, May 11, 1937 (HFM 0007251), Perry to Diestel, May 18, 1937 (HFM 0007252) and Perry to Sorensen, May 18, 1937 (HFM 0007253).

<sup>57</sup> HFM, Acc. 38, Box 38, File: Germany Jan-Jun 1937, Albert to Sorensen, February 11, 1937 (HFM 0001994), Diestel to Craig, April 27, 1937 (HFM 0002019-0002020), Albert to Craig, May 6, 1937 (HFM 0002014-0002015). In his May 6, 1937, letter, Albert complained that neither Dearborn nor Ford-Werke’s board was being kept sufficiently informed by a manager who was so independent that he had assumed practically all functions, including those of the board (See Section 4.2.). In a postwar interview, Erhard Vitger said that Albert and Diestel fell out after Diestel suggested to Dearborn that Albert’s salary should be reduced. Albert was paid by Ford-Werke for his services as a director and also drew a \$40,000-a-year salary from Dearborn. On a trip to Dearborn in 1936, Diestel had suggested that Albert should not be paid this salary from Dearborn. According to Vitger, when Albert learned of this he turned against Diestel. See HFM, Acc. 880, Box 7, File: Germany, Interview with Erhard Vitger, July 15, 1960 (HFM 0000885).

incidents of violating policies and directives.<sup>58</sup> According to Schmidt, Albert issued an ultimatum – either Diestel or Albert had to leave.<sup>59</sup>

In November 1938, Edsel Ford, Sorensen, Perry and Albert met unofficially in Dearborn to discuss Ford-Werke and unanimously concluded that it would be in the interest of the German firm to part company with Diestel.<sup>60</sup> He was informed that his contract would be canceled. He preferred to resign rather than be dismissed, and he received a severance package approximately equal to his annual salary.<sup>61</sup>

In spite of earlier concerns about such an arrangement, the board elevated Schmidt and Vitger to be co-managers, replacing Diestel.<sup>62</sup> Schmidt began his career with Ford-Werke in 1926 as a buyer.<sup>63</sup> From 1928 until he was made co-manager with Vitger,

Schmidt held several titles, including assistant manager in charge of purchasing and purchasing manager.<sup>64</sup> Vitger was part of Ford-Werke management from the beginning. When the German company was created in 1925, the manager of Ford operations in Denmark, George Carlson, was asked to assume the duties of managing Ford-Werke, as well. Vitger, who worked for Carlson at Ford of Denmark, was brought from

<sup>58</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 147A, letter from Albert to Diestel, June 18, 1938 (NARA 0000370). Diestel had applied for Ford-Werke membership in the Reich Automotive Association without board approval. On another matter, Sorensen demanded an explanation for Diestel's revival of a wood gas generator program that had been ordered to be dropped in Germany; see HFM, Acc. 38, Box 40, File: Germany Jul-Dec 1938, Sorensen to Diestel, July 29, 1938 (HFM 0007363), Sorensen to Diestel, July 29, 1938 (HFM 0007362) and Sorensen to Albert, July 29, 1938 (HFM 0007361).

<sup>59</sup> In a postwar interview with historian Mira Wilkins, Schmidt recalled that after Albert and Diestel quarreled over various policy questions, Albert put the issue squarely before Dearborn. Naturally, Schmidt said, Dearborn chose Diestel as the one who would leave. Schmidt said that Diestel jeopardized his career by trying to be everything. Schmidt said Diestel had no idea about automobiles, but after a short period, he thought he knew everything. He turned against Albert, who had hired him, and refused to listen to Vitger and Schmidt. See HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt, July 18, 1960 (HFM 0000900-000901). In a 1945 memo, Schmidt said that he and Vitger viewed Albert as more than the board chairman – they considered him the representative of the shareholders' majority, i.e., Messers Henry and Edsel Ford and their executives. "People like Heine and Diestel who thought different [sic] had to leave the company." See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 3, Memo by Schmidt on relations between Albert and himself, August 13, 1945 (NARA 0000051).

<sup>60</sup> At the Dearborn meeting, it was decided that business should be carried on by Schmidt and Vitger, and that a young engineer should be found to be groomed to be a third member of the management board [Vorstand], which was responsible for day-to-day operations. See HFM, Acc. 6, Box 306, File: 1938 - Cologne, Albert to Sorensen and Edsel Ford, November 14 and 15, 1938 (HFM 0000008) and Memo by Albert, November 15, 1938 (HFM 0000009).

<sup>61</sup> HFM, Acc. 38, Box 40, File: Germany-Jul-Dec 1938, Diestel to Sorensen, December 9, 1938 (HFM 0000297); FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, December 22, 1938 (FMC 0003179-0003180). Albert wrote to Sorensen that he did not object to Diestel's wish to announce that he had reorganized the company and was resigning after completing this task. Diestel wanted to become a dealer in Berlin, and it would improve his chances of finding a new job, Albert wrote. See HFM, Acc. 38, Box 40, File: Germany - Jul-Dec 1938, Albert to Sorensen, December 15, 1938 (HFM 0000295-0000296). In a postwar interview, Schmidt recalled that Diestel stayed in Germany most of the war, until he was put in charge of a Dutch enterprise by the German authorities. Schmidt also stated that Diestel was arrested for collaboration after the war; see HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt, July 18, 1960 (HFM 0000900). Another former Ford-Werke employee said after the war that Diestel was a manager for Nazi-operated companies in the East. "[T]hey knew, he knew his job." See FMC, Interview of A.S., December 1999 (FMC 0018557-0018558). Ford of Britain employee Thornhill Cooper said in 1960 that Diestel was living in Hamburg and had a company of his own; see HFM, Acc. 880, Box 5, File: England, Oral History of Thornhill Cooper, June 27, 1960 (HFM 0000838).

<sup>62</sup> Ford-Werke Records, File: Minutes of General Meetings and Board of Directors Meetings, 1925-1941, Board of Directors Meeting Minutes, June 8, 1939 (FW 0002851); FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, December 22, 1938 (FMC 0003179-0003180).

<sup>63</sup> HFM, Acc. 713, Box 4, File: Cologne Personnel 1946-1948, Schmidt to Henry Ford II, October 6, 1947 (HFM 0003104).

<sup>64</sup> Schmidt's denazification file lists his titles as buyer in the purchase department, 1926-1927; purchase manager, 1928-1935; assistant manager in charge of purchase, 1935-1937; and manager in charge of purchase, 1937-1938. See HStAD, NW 1049/76620, Military Government questionnaire of Schmidt, June 19, 1946 (HSAD 0791). According to a postwar statement filed by Schmidt with military authorities, he entered the company as a buyer in 1926, was head buyer beginning in 1928, purchase manager starting in 1930, assistant manager in charge of purchase starting in 1933 and manager in charge of purchase starting in 1935; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 12, statement by Schmidt, June 22, 1945 (NARA 0000068). Schmidt's postwar statement indicated that he was born in Berlin and left school to work in an automobile repair shop. He was in the German army during World War I and returned to Berlin to work in various repair shops. He worked as a buyer for hardware, for parts for agricultural implements and for bicycle manufacture, and was out of work for nine months before being hired at Ford-Werke.

Copenhagen to Berlin to be works manager of the new German operation.<sup>65</sup> In a 1987 interview, Vitger said that in the early days he handled “everything” because Carlson was in Berlin only two or three days per month.<sup>66</sup>

On June 11, 1937, Schmidt and Vitger had been appointed to the management board [Vorstand], which was responsible for day-to-day operations.<sup>67</sup> When the two men were named as co-managers in December 1938, Schmidt was given responsibility for production, technical needs and negotiations with the authorities, as well as his purchasing duties. Vitger took over all export sales and employment matters, along with his existing responsibilities, which included financial matters.<sup>68</sup> Although Vitger and Schmidt were technically equals during the early years of the war, in practice Schmidt had greater authority, since Vitger was a Dane and considered a foreigner.<sup>69</sup> On June 17, 1941, at a general meeting held by the Ford-Werke Board of Directors, Schmidt was elevated to the chairmanship of the Vorstand, in addition to his other responsibilities (See Section 5.2.).<sup>70</sup>

When Ford-Werke was placed under German government control on May 15, 1942, German

government officials named Schmidt as custodian of Ford-Werke, reporting to the Reich Commissioner for the Treatment of Enemy Property.<sup>71</sup> The board of directors was replaced by a board of advisors appointed by the government to assist the custodian in the administration of the company. Albert was appointed chairman of this new body, which, at Albert’s suggestion, consisted of the German members of the old board.<sup>72</sup>

## 2.5. Ford’s Changing Relationship with Ford-Werke

Political developments in Germany during the 1930s weakened Ford Motor Company’s control over Ford-Werke, in large part because Nazi policies set out to limit the influence of foreign business owners. Compulsory automobile parts standards established in 1936 as well as a number of other regulatory measures taken by the German government ensured a reduced role for Ford Motor Company in the operation of its

<sup>65</sup> Wilkins and Hill, *American Business Abroad*, pp. 98 and 139. See also HFM, Acc. 67, Charles Sorensen Oral Reminiscences (Excerpts), no date (HFM 0001375).

<sup>66</sup> FMC, AR-98-213541, Box V, Oral History of Erhard Vitger by D.B. Tinnin, April 1987 (HFM 0000565-0000566). In a 1935 audit report of Ford-Werke done by a Ford employee from Dearborn, Vitger was described as playing a major role: “Mr. Vitger, Chief Clerk’s position but performing the duties of Office Manager. He is the best qualified employee in the Plant. Capable, honest and well informed on all details in conducting the general business of the Plant.” See HFM, Acc. 415, Box 1, File: Ford-Werke Audit Reports, Audit Report, May 24, 1935 (HFM 0004310). See also Wilkins and Hill, *American Business Abroad*, p. 139.

<sup>67</sup> Ford-Werke Records, Meeting Minutes, June 11, 1937 (FW 0002831).

<sup>68</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, December 22, 1938 (FMC 0003179-0003180).

<sup>69</sup> NARA, RG 260, Property Division, External Assets Investigation Section, Box 546, File: Ford Werke AG (Inv), Memo on conversations with Schmidt, June 13, 1945 (NARA 0003559); FMC, AR-98-213541, Box V, Oral History of Erhard Vitger by D.B. Tinnin, April 1987 (FMC 00000573). “During the war I was not allowed to enter the factory, only the office,” Vitger recalled in a postwar oral history interview.

<sup>70</sup> Ford-Werke Records, Business Report for the Year 1941, November 9, 1942 (FW 0000119-0000121; for English translation, see FW 0000126-0000127). At the same meeting, Alfons Streit, head engineer, and Hans Löckmann, assistant to the chief executive, were appointed deputy members; see NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, German Economic Department Report on German Industrial Complexes - Ford-Werke, February 1946, hereafter GED Report (NARA 0001567); and BA-L, R 87/6205, Schmidt and Albert to Reich Commissioner, June 18, 1941 (BAL 1182; for English translation, see BAL 12929). The June 17, 1941, general meeting was the last one until December 16, 1947; see FMC, AR-98-213541, Box 131, File: Cologne Organization and Management, List of Board Members 1925-1943, 1947 (FMC 0000679-0000680); and Ford-Werke Records, Business Report for the Years 1944, 1945 and 1946 (FW 0003729-0003764; for English translation, see FW 0005403-0005405). See Section 10.6. regarding the first postwar meeting.

<sup>71</sup> Ford-Werke Records, Resolution of the Superior Court - Cologne, May 15, 1942 (FW 0008375). For English translation, see FMC, AR 75-63-430, Box 207, File: Germany AG Minutes of Meetings 1929-1952 (FMC 0003361). For more discussion about Schmidt’s appointment as custodian, see Section 5.4.

<sup>72</sup> FMC, AR-75-62-616, Box 79, Cologne 1939-1945 Reports - Custodian, no date, hereafter Custodian Report (FMC 0001017); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011133-0011152 for English translation, see DOJ 0011204-0011217); BA-L, R 87/6205, Reich Commissioner to Schmidt and Albert, May 9, 1942 (BAL 1246) and Albert to Reich Commissioner, May 14, 1942 (BAL 1247-1248).

German subsidiary.<sup>73</sup> In a 1935 letter to Sorensen regarding a change in the German tax law, Albert warned that if foreigners took “an active part in the management of the business,” Ford-Werke would be subject to full taxation. He suggested that Sorensen should refrain from ordering changes to management salaries and that “in the future such things are exclusively done through the intermediary of a German member.” Furthermore, he observed that the tax code allowed Germany to tax German-domiciled companies that were “subject to a possible decrease of the profit on account of its direct or indirect economic relations to a foreign company.” In light of these restrictions, Albert stated, “We have always advised FMC Dearborn not to give instructions but only advice.”<sup>74</sup> (See Section 3.2. for more information on the status of Ford-Werke in Nazi Germany.)

The Ford-Werke board meeting held in Cologne on April 20, 1938, was the last time an American (Sorensen) or a British (Perry) board member attended a meeting until after the war.<sup>75</sup> Valentine Tallberg, chief engineer, was the last American Ford employee to leave Germany. He left Germany at the direction of the American Consul a few days before the war broke out in September 1939, taking with him three Taunus<sup>76</sup> cars to work on while in Dearborn.<sup>77</sup> In a letter to Sorensen dated November 27, 1939, Albert advised him that new government rules and regulations limited the amount of information he could provide about the company’s

operations to foreigners, even to members of the board or shareholders. As a result, Ford-Werke was unable to call a full meeting of the board.<sup>78</sup>

A 1943 U.S. Department of Justice report stated that even before the outbreak of war in Germany, Ford’s control over policy at Ford-Werke was sometimes interfered with by the German authorities through pressure on the Ford-Werke management. The report suggested that Schmidt, Vitger and Albert remained loyal to the policies of Ford Motor Company only to the extent that these policies did not conflict too heavily with those of the German government. According to the report, these three individuals were initially committed to Ford’s desire not to be involved in military mobilization, and they had enough influence with the authorities to be able to hold their ground. But as the preparations for war reached a fever pitch in the late 1930s, the management of Ford-Werke seemed more inclined to carry out the wishes of the German government and less inclined to uphold Ford policies that might conflict, according to the Department of Justice report.<sup>79</sup>

## 2.6. Ford’s Response to the Threat of War

Ford Motor Company’s response to political and military developments in Europe was influenced by Henry Ford’s long-held aversion to war except in the direct defense of the United States. Before America’s entry into World War I, Henry Ford had chartered a “Peace Ship” in an attempt to end the conflict. His personal secretary, Ernest Liebold, recalled in a 1953 interview that Henry Ford was willing to spend his money and do anything he could, as long as there was a possibility of ending the war. But when the Peace Ship venture failed, and the United States entered the war two years later, Ford Motor Company contributed helmets, tanks and naval vessels for the American military. This sequence of events was consistent with

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<sup>73</sup> Simon Reich, *The Fruits of Fascism: Postwar Prosperity in Historical Perspective* (Ithaca: Cornell University Press, 1990), p. 115. See Sections 3.2. and 3.3. for more information on standardization.

<sup>74</sup> HFM, Acc. 507, Box 98, File: Cologne 1934-1935, Albert to Sorensen, February 8, 1935 (HFM 0004042-0004061).

<sup>75</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 146A, Meeting Minutes, April 20, 1938 (NARA 0000368-0000369).

<sup>76</sup> The Taunus marque was developed for the German market; the Taunus Mountains are near the Rhine River. See FMC, AR-98-213542, File: Oral Reminiscence Conducted by Mira Wilkins, Interview with C.W. Hauss, July 21, 1960 (FMC 0017377).

<sup>77</sup> HFM, Acc. 65, Box 72, File: Tallberg (214) Final 72-1, Reminiscences of V.Y. Tallberg, July 1956 (HFM 0004862-0004864). Tallberg returned to Germany briefly for additional work on May 15, 1940, but departed again on September 9, 1940; see FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (CE Sorensen), Tallberg to Gnau, July 6, 1940 (FMC 0003139-0003140).

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<sup>78</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, November 27, 1939 (FMC 00003161-00003163).

<sup>79</sup> NARA, RG 226, Microfilm M1499, Reel 263, Department of Justice, Report on Ford-Werke AG, May 10, 1943 (NARA 0004262).



Henry Ford's conviction that Americans should avoid any conflict except to defend the nation.<sup>80</sup> In the late 1930s, Henry Ford refused to believe that another war was imminent. Even after World War II broke out in Europe, he did not think that America needed to become involved. In 1940, he joined the America First Committee in campaigning against U.S. military involvement abroad.<sup>81</sup> (This was one of several isolationist groups committed to preventing the United States from becoming directly involved in the war, reflecting the widespread isolationism in America prior to the Japanese attack on Pearl Harbor on December 7, 1941.<sup>82</sup>)

In the spring of 1940, the U.S. government asked Ford Motor Company to build Rolls-Royce aircraft engines. Edsel Ford and Charles Sorensen went to Washington, D.C., to look at the engine and discuss the proposal, and Sorensen returned enthusiastic about the project. In May 1940, Henry Ford surprised Sorensen by agreeing to the engine contract, which called for the British to get 60 percent of the engines. However, in June 1940, after a British press report mentioned the

engines for England, Henry Ford told the American press that he was willing to produce war materials for the U.S. government only, and "for defensive purposes only." On June 25, Ford Motor Company announced it would not build the engines.<sup>83</sup> Following a storm of protest in the British House of Commons and the press, W.R. Campbell, the head of Ford of Canada, quickly persuaded Henry Ford to authorize a statement declaring that the decision applied only to the U.S. company and did not affect Ford subsidiaries in Canada, England and elsewhere in the British Empire. Issued by Campbell on behalf of Henry Ford, the statement said that Ford subsidiaries throughout the Empire "are using their facilities to the utmost for the production of military equipment for the defense of the British Empire. ... They are serving their people as they should do and as I would do if permitted and if occasion required."<sup>84</sup>

In August 1940, Ford Motor Company accepted a U.S. government contract to manufacture Pratt & Whitney aircraft engines, and Ford engineers assisted in developing a final design for the jeep.<sup>85</sup> In March 1941,

<sup>80</sup> HFM, Acc. 65, Box 41, File: Liebold (115) 41-5 Final - Folder 9, Reminiscences of E.G. Liebold, January 1953 (HFM 0004889-0004894); Time, March 23, 1942; Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, p. 169. Describing this period in *My Life and Work*, Henry Ford wrote in part: "It is entirely out of keeping with the principles of our business to disturb the routine of our production unless in an emergency. It is at variance with our human principles to aid either side in a war in which our country was not involved. These principles had no application, once the United States entered the war." See Henry Ford, with Samuel Crowther, *My Life and Work* (Garden City, New York: Doubleday, Page & Company, 1924), p. 246.

<sup>81</sup> Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, pp. 168-181. As Charles Sorensen put it, "... [A]ny mention of the war in Europe and the likelihood of this country's involvement upset him almost to incoherence." See Sorensen, *My Forty Years With Ford*, pp. 274-275.

<sup>82</sup> For example, in May and June 1940, public opinion polls indicated that nearly two-thirds of Americans wanted to stay out of war, and preferred to avoid aiding Great Britain, if such aid would risk involvement in the conflict. After Pearl Harbor, a majority of Americans favored declaring war on the Axis countries. See Otis L. Graham and Meghan Robinson Wander: *Franklin D. Roosevelt, His Life and Times: An Encyclopedic View* (New York, N.Y.: Da Capo Press, 1990), p. 212; Wayne S. Cole, *Roosevelt & the Isolationists, 1932-1945* (Lincoln and London: University of Nebraska Press, 1983), pp. 364-365.

<sup>83</sup> Sorensen, *My Forty Years With Ford*, pp. 273-276; PRO, AVIA 38/724, Wynne to Self, June 19, 1940 (PRO 0000177); Wilkins and Hill, *American Business Abroad*, pp. 316-317; Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, pp. 174-177. Sorensen was surprised by Henry Ford's approval of the Rolls-Royce project because of his

earlier declarations against making war supplies for any foreign nation. He said Henry Ford's reversal was triggered by a "tactless" British press statement to the effect that Ford Motor Company was now supporting the British. Stunned British Air Ministry officials concluded, "Edsel is prevented from executing the scheme by the pacifistic and isolationist outlook of his father, who sees no inconsistency in allowing his English organizations to make Merlins [Rolls-Royce engines] as they will be used for the defense of the country in which the works are located." See Wynne to Self (PRO 0000178) and Self to Rowlands (PRO 0000179). In Germany, Henry Ford's denial of the engines to the British "greatly helped" Ford-Werke avoid having to manufacture war material for the German government. See FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (C.E. Sorensen), Albert to Sorensen, July 11, 1940 (FMC 0003146); and FMC, Acc. 6, Box 321, File: Briefing Binder - Section R, Albert to Edsel Ford, July 11, 1940 (FMC 0004512).

<sup>84</sup> HFM, Acc. 38, Box 127, File: Folder F, 1940, Campbell to Perry, June 27, 1940 (HFM 0007289); Nevins and Hill, *Ford: Expansion and Challenge, 1915-1933* (New York: Charles Scribner's Sons, 1957), p. 566.

<sup>85</sup> Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, pp. 177-180. In his memoirs, Sorensen recalled that at first, Henry Ford was also opposed to the Pratt & Whitney engine program. But Edsel Ford was "all for it," and so was Sorensen. Sorensen said he convinced Henry Ford to change his mind by suggesting that the company could set a new standard in the manufacture of aircraft engines. "In all my years with him I never put so much pressure on him as to persuade him to take part in the government's military aviation program." See Sorensen, *My Forty Years With Ford*, p. 276. Referring to Henry Ford's decision not to build the Rolls-Royce aircraft engines earlier in 1940, a 1942 *Time* article

Ford workers began to clear the ground for the Willow Run bomber plant near Ypsilanti, Michigan. By early 1944, Willow Run was the leading producer of heavy bombers for the U.S. military, proving that Ford's mass production know-how could be used to manufacture bombers. In 1945, Willow Run produced 70 percent of all B-24 bombers built that year for the U.S. military.<sup>86</sup> The attack on Pearl Harbor on December 7, 1941, mobilized the entire country behind the war effort. Ford played a strategically important role in the U.S.

contribution to the Allied victory. By March 1942, Ford had become such an integral part of the "arsenal of democracy" that *Time* magazine's front cover featured an image of Henry Ford before a huge factory from which streams of tanks and bombers flowed. "A Mass Producer," the cover stated. "Out of enormous rooms, armies will roll and fleets will fly."<sup>87</sup> A list of Ford's contributions to the Allied war effort is attached as Appendix C.

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credited him with having a "good mechanic's reason: later, grief and headaches in other plants making English-designed munitions proved what he knew or had guessed – that the British blueprints were informal to the point of helter-skelter, had to be completely worked over, causing costly rejections, delays, waste." See *Time*, March 23, 1942.

<sup>86</sup> Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, pp. 223-226; Irving Brinton Holley, Jr., *Buying Aircraft: Matériel Procurement for the Armed Forces* (Washington, D.C.: Center of Military History, 1964), p. 526.

<sup>87</sup> Civilian Production Agency, *Industrial Mobilization For War* (Washington, D.C.: Civilian Production Agency, 1947), p. 315; Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, pp. 199 and 225-227; *Time*, March 23, 1942.

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## Section 3

# NAZI ECONOMIC POLICIES AND CONTROLS OVER THE AUTOMOTIVE INDUSTRY

### 3.1. Nazi Regulation of Economy

With the Nazi party's assumption of power in January 1933, Adolf Hitler's regime instituted a variety of measures designed to extend its influence across all aspects of German society. As the Nazi party consolidated its hold on Germany, the legality of its activity was sanctioned with the passing of the Enabling Law of March 24, 1933, an all-encompassing statute giving Hitler extensive emergency powers.<sup>88</sup>

From the outset, Hitler's policies demanded the imposition of extensive controls over the German economy. During the early years of the regime, Germany faced serious social problems caused by the worldwide depression, problems which had played a significant role in Hitler's rise to power. In an effort to spark an economic recovery, the Nazi government embarked on a number of ambitious public works programs aimed at developing the country's industrial infrastructure. Nazi authorities also carefully regulated foreign trade in order to promote German self-sufficiency in critical raw materials and military production. By the late 1930s, Nazi authorities had implemented additional rearmament programs

designed to begin the industrial mobilization needed to build up Germany's military strength.<sup>89</sup>

The Nazi government's policies led to an uneasy relationship with the German business community. On the one hand, the regime quickly set out to win the close cooperation of Germany's business leaders, most of whom were generally supportive of the Nazi party's overall economic goals. However, the expansion of government controls during the mid-1930s and the increased emphasis on military mobilization and economic self-sufficiency created frictions with some groups.<sup>90</sup> This was especially true in the case of companies that had strong international ties, particularly foreign subsidiaries operating in Germany. Foreign-owned companies that depended on imports and capital investments from their home countries were particularly affected by government decrees regulating foreign trade and foreign currency transactions. In August 1936, for example, the German government implemented measures that strictly regulated financial transactions with the United States and required all American companies doing business in Germany to be represented by a German export firm or bank.<sup>91</sup>

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<sup>88</sup> Jeremy Noakes and Geoffrey Pridham, *Documents on Nazism, 1919-1945* (New York, 1975), pp. 188-195.

<sup>89</sup> R.J. Overy, *War and Economy in the Third Reich* (Oxford: Clarendon Press, 1994), pp. 1-3.

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<sup>90</sup> Overy, *War and Economy in the Third Reich*, pp. 11-18.

<sup>91</sup> *Reichssteuerblatt*, Vol. 42 (August 4, 1936), p. 840 (BAL 12934); *Reichssteuerblatt*, Nr. 32 (May 3, 1937), pp. 546-547 (BAL 12932-12933).

### 3.2. Nazi Controls Over the German Automotive Industry

The Hitler regime identified the automotive industry as playing an essential role in the government's efforts to revive the German economy. The German state invested heavily in developing the country's highway system. The National Socialist Motor Corps, a Nazi paramilitary organization, sought to associate the Nazi movement with German society's burgeoning interest in automotive culture. The Nazi government took steps to encourage self-sufficiency in German automobile production by offering consumer tax incentives aimed at increasing domestic demand for German-made vehicles.<sup>92</sup>

At the 1934 Berlin Automobile Show, Hitler personally ordered the industry to standardize production so that "all the chief parts of any manufacturer's car should be interchangeable with those of all other makes."<sup>93</sup> Furthermore, in 1935, the German automotive trade association ordered that all automobile parts sold in Germany be made in Germany, that all parts come from German raw materials and that all parts be fully standardized.<sup>94</sup>

As part of a broader effort to regulate the German economy, the Nazi regime formed an Automotive Industry Economic Group [Wirtschaftsgruppe

Fahrzeugindustrie, WiGruFa] in May 1935. Like similar groups created for other industries, the WiGruFa acted as a liaison between the German government and automobile manufacturers, including Ford-Werke.<sup>95</sup> In addition to overseeing efforts to standardize and rationalize the automotive industry, the WiGruFa requested raw materials from the German government and distributed allocations to its members based on the contracts each had received.<sup>96</sup> Ford-Werke was represented on the WiGruFa board of advisors.<sup>97</sup>

In the 1920s and early 1930s, the German automobile industry consisted of approximately 150 small producers, and it grew steadily in manufacturing and output throughout the 1930s. Partially as a result of Nazi government initiatives, total vehicle production climbed from 52,000 units in 1932 to 342,000 in 1938.<sup>98</sup> By the late 1930s, Germany was the third-largest automobile producer in the world, behind the United States and Great Britain. Until 1938, the largest sector of the German automobile industry was passenger vehicle production, although several automobile manufacturers in Germany were producing vehicles for the German military prior to 1939.<sup>99</sup>

From 1932 until 1937, Ford-Werke manufactured between 4 and 9 percent of Germany's total yearly motor vehicle production.<sup>100</sup> During this period, Adam Opel AG, a subsidiary of the U.S.-based General Motors Corporation, was the largest automobile manufacturer in Germany.<sup>101</sup> In 1938, the peak year of German automobile production until after the war, Opel sold a

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<sup>92</sup> Overy, *War and Economy in the Third Reich*, pp. 77-79; Snyder, *Encyclopedia of the Third Reich*, p. 245.

<sup>93</sup> Wilkins and Hill, *American Business Abroad*, p. 272.

<sup>94</sup> Reich, *The Fruits of Fascism*, p. 112.

<sup>95</sup> VDA, Pressearchiv, File: 20, Wirtschaftsgruppe Fahrzeugindustrie Meeting Minutes, 1935-1938 (GER 01721-01920). All 950 members of the association, formally known as the Reich Association of the German Automotive Industry [Reichsverband der deutschen Automobilindustrie, RDA], as well as companies such as Ford-Werke, which had not formerly been members of the RDA, were joined together in the WiGruFa.

<sup>96</sup> VDA, Pressearchiv, File: 22, WiGruFa quarterly progress reports, February - July 1942 (GER 0001199-0001262).

<sup>97</sup> In 1937, Ford-Werke General Manager Erich Diestel represented Ford-Werke on the WiGruFa board of advisors; see VDA, Pressearchiv, File: 20, WiGruFa Board of Advisors Meeting Minutes, June 29, 1937 (GER 01779-01791). In September 1940, [Kaj] Meyer represented Ford-Werke at the WiGruFa board of advisors meeting; see BA-L, R 3101/9087, Minutes of the WiGruFa Board of Advisors Meeting, September 4, 1940 (BAL 6257-6261).

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<sup>98</sup> Reich, *The Fruits of Fascism*, p. 107; Reinhold Billstein, Karola Fings, Anita Kugler and Nicholas Levis, *Working for the Enemy: Ford, General Motors, and Forced Labor in Germany during the Second World War* (New York: Berghahn Books, 2000), p. 23.

<sup>99</sup> Overy, *War and Economy in the Third Reich*, pp. 81-82.

<sup>100</sup> FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000906).

<sup>101</sup> For more on Opel during this period, see Reich, *The Fruits of Fascism*, pp. 110-111. Also, in a letter to Charles Sorensen in early 1936, Albert discussed the competitive issues faced by Ford-Werke partly because of Opel's influence in Germany. Opel had always been on good terms with the German government and the party organizations, Albert wrote. "As a result, they succeeded in developing into the largest German motor car factory. Nearly one half of the entire production of Germany is manufactured by them alone." See HFM, Acc. 38, Box 33, File: 168-F-1 Jan-Jun, Albert to Sorensen, January 20, 1936 (HFM 0000459 and 0000461).

total of 136,450 automobiles, almost 40 percent of the German automobile market. Behind Opel was a German-owned firm, DKW, with 50,340 units sold, or approximately 15 percent of the market. Ford-Werke was the third-largest automobile firm in 1938 with a total of 36,582 vehicles sold, representing just under 11 percent of the German market. German-owned Daimler-Benz was the fourth-largest producer, capturing approximately 7 percent of the market with total sales of 25,338 vehicles.<sup>102</sup> Numerous smaller firms, including Hanomag, Adler and Audi, shared the remainder of the German automobile market.<sup>103</sup> (See Appendix A for a table listing 59 U.S. firms according to each company's percentage of the total of American investment in Germany. Opel ranked second, with 12.18 percent of the total. Ford-Werke was 16th, with 1.90 percent. The list was compiled in 1943. See also Section 2.2.)

### 3.3. Status of Ford-Werke Plant

According to a postwar report by Great Britain's Ministry of Economic Warfare, the Ford-Werke plant in Cologne was, with the exception of the Opel plant in Rüsselsheim, "the most important and best-equipped single motor vehicle plant in Continental Europe."<sup>104</sup> Political scientist Simon Reich argues that Ford Motor Company's status as a multinational corporate entity initially made it suspect to Nazi government officials, who viewed Ford-Werke as a "foreign" company subject to direction from outside Germany. Given the

racial and ethnic xenophobia of Nazi ideology, this affected Ford-Werke's performance in the first years of the Hitler regime.<sup>105</sup> Tensions with the government arose on a variety of issues. One of the first and most contentious was Ford-Werke's decision not to construct a new facility in Hamburg as desired by Nazi economic officials.<sup>106</sup> By 1934, Ford-Werke's production had fallen to ninth place among German automobile producers.<sup>107</sup> According to Reich, the company faced hostility from its competitors and suffered near-ostracism at the hands of other German automobile manufacturers, although Ford-Werke's highly modern production techniques made it the focus of competition. In the mid-1930s, the Nazi regime's standardization program highlighted the conflict between Ford-Werke, on one hand, and the German government and the automotive industry groups on the other. While most German firms cooperated with government initiatives to standardize the automotive industry, Ford-Werke resisted, since Ford policies called for the interchangeability of parts with foreign suppliers and other Ford subsidiaries beyond Germany's borders.<sup>108</sup>

During 1935 and 1936, Ford-Werke came under increasing pressure from the German government and the German automotive trade association to conform to German automobile manufacturing standards, despite Ford policy.<sup>109</sup> For example, when a 1935 business report from the trade association enumerated the

<sup>102</sup> Wilkins and Hill, *American Business Abroad*, p. 272.

<sup>103</sup> NARA, RG 226, M1499, Reel 150, Report by Tallberg on German Motor Vehicle Industry, August 26, 1942 (NARA 0004118).

<sup>104</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001562).

<sup>105</sup> Reich, *The Fruits of Fascism*, pp. 107-46.

<sup>106</sup> In 1934, Ford-Werke considered a plan to erect a new manufacturing facility in Hamburg. Government officials favored the new location, as it would keep the facility out of the so-called "danger zone" of vulnerability to foreign powers and would provide badly needed jobs in Hamburg. However, Dearborn officials decided against the proposal in August 1934, telling Hamburg proponents of the plan that Ford considered the Cologne factory "ideal." For more on the proposal, see HFM, Acc. 6, Box 287, File: 134-Dagenham, Keppler to Ferdinand, August 9, 1934 (HFM 0000597-0000598), Negotiations on Ford Factory in Hamburg, September 3, 1934 (HFM 0000588-0000589) and Memo on conference with

representatives of Hamburg, September 4, 1934 (HFM 0000590-0000596). See also HFM, Acc. 572, Box 16, File: Germany 1930s, Sorensen to Albert, August 2, 1934 (HFM 0006212), Sorensen to Wirtz, August 2, 1934 (HFM 0006180-0006181), Sorensen to Perry, August 22, 1934 (HFM 0006165), Albert to Perry, September 1, 1934 (HFM 0006168-0006169) and Perry to Albert, September 11, 1934 (HFM 0006223-0006224). For more on the issues that developed between Ford-Werke and the Nazi regime, see FMC, AR-98-213541, Box 131, File: Supplemental Excerpt from Ford - Cologne - 1930s, Diefenbach to Roberge, September 12, 1935 (FMC 0006541-0006544).

<sup>107</sup> Reich, *The Fruits of Fascism*, p. 110.

<sup>108</sup> Reich, *The Fruits of Fascism*, pp. 107-46. For more on this subject, see Carl H.A. Dassbach, *Global Enterprises and the World Economy* (New York: Garland, 1989), p. 271. On Ford-Werke's reluctance to cooperate with efforts to standardize the German auto industry, see, in particular, Reich, *The Fruits of Fascism*, p. 110.

<sup>109</sup> Reich, *The Fruits of Fascism*, p. 112.

characteristics of a non-German company, the list included, among other factors, noncompliance with German rules concerning the standardization of automotive parts. In a letter to the Reich Economic Minister, Albert commented on the inequity of the situation, describing the linking of the German character of Ford-Werke vehicles with full standardization of parts as a “vicious circle.” Discrimination against Ford-Werke based on the firm’s nonconformity to German standards caused sales to suffer. Poor sales, in turn, made it impossible to generate the large outlay of capital necessary to achieve standardization. He suggested, however, that a firm promise of automobile orders by the German government would enable Ford-Werke to consider the large investment necessary for standardization.<sup>110</sup>

Despite efforts by Albert and others to find an acceptable solution, Ford-Werke’s difficulties with standardization continued to affect sales to the German government and private citizens, as well. In a meeting with various Ford-Werke and Ford Motor Company personnel in 1935, Albert discussed the connection between government contracts and standardization, using Opel as an example of the benefits of compliance. He made it clear that the granting of government contracts was largely dependent on Ford-Werke’s willingness to standardize.<sup>111</sup> Decrees from the Ministry of Interior had already forbidden sales of nonstandardized vehicles to public officials such as court bailiffs and post office personnel. By 1936, there

was anxiety among Ford-Werke executives that the government’s attitude toward the firm would affect sales in the private sector. In a letter to Edsel Ford, Albert voiced this concern, predicting that in light of government restrictions on nonstandardized vehicles, “private persons may soon largely insist on standardization and refuse to buy a car which is not standardized.”<sup>112</sup> In December 1935, Albert warned Sorensen of the likelihood of mandatory standards, a development he argued would make Ford-Werke’s opposition to German standards untenable.<sup>113</sup> In May 1936, Albert’s fears were realized, when the German government issued orders compelling German automobile manufacturers to standardize certain component designs and sizes.<sup>114</sup>

Ford-Werke made several attempts to alleviate some of the difficulties encountered due to the firm’s “foreign” status. Early in 1936, Ford-Werke began to make concessions to German standards. In a letter to the Trade Group Vehicles Industry, Ford-Werke General Manager Erich Diestel voiced Ford-Werke’s agreement “on principle” with German standards and said that Ford-Werke would be able to adopt two-thirds of the mandatory standards imposed by the German government.<sup>115</sup> By May 1936, work had begun on the standardization of Ford-Werke’s V-8 engine.<sup>116</sup> Ford-Werke also considered acquiring a German manufacturing firm, Stoewer-Werke AG, in an effort “to profit from a possibility offered to remove the well-known discrimination” of Ford-Werke and its products. Initially proposed to Albert by Stoewer-Werke management in the summer of 1935, the merger garnered important governmental advocates such as Keppler, Hitler’s economic adviser, who claimed the Führer himself had taken an interest in the matter. Sorensen advised against the merger on financial

<sup>110</sup> Ford-Werke Records, Albert to Reich Economic Minister, September 3, 1935 (FW 0004315-0004354).

<sup>111</sup> HFM, Acc. 507, Box 98, File: Cologne 1934-1935, Board Meeting Minutes, April 13, 1935 (HFM 0004116-0004120). For more information on Ford-Werke’s reluctance to cooperate with efforts to standardize the German auto industry, see Reich, *The Fruits of Fascism*, p. 110.

<sup>112</sup> HFM, Acc. 6, Box 297, File: Subject File - 1935 - Ford Motor Co. - Subsidiaries - Cologne, Albert to Edsel Ford, August 17, 1936 (HFM 0000542-0000551). Also, Erhard Vitger said in a postwar interview that Ford-Werke was “persona non grata” in Germany during the 1930s. “Apparently there existed some ruling – official or unofficial, I would not know – that it was not permitted to park a Ford car in a public place.” See FMC, AR-98-213541, Box V, Oral History of Erhard Vitger by D.B. Tinnin, April 1987 (FMC 0000567).

<sup>113</sup> HFM, Acc. 38, Box 28, File: Cologne List F, Albert to Sorensen, December 6, 1935 (HFM 0001950-0001951).

<sup>114</sup> HFM, Acc. 38, Box 33, File: Jan-Jun, Item F, Brief outline of the German Norms for Passenger and Truck Engines, May 13, 1936 (HFM 0000499); Reich, *The Fruits of Fascism*, p. 115.

<sup>115</sup> HFM, Acc. 38, Box 33, File: 168 F-1 Jan-Jun, Item G, Diestel to Vehicles Industry Trade Group, January 13, 1936 (HFM 0002803-0002805). Ford-Werke applied for exceptions from the remaining mandatory standards, see Ford-Werke Records, Meeting Minutes, February 26, 1936 (FW 0002812-0002816).

<sup>116</sup> HFM, Acc. 38, Box 33, File: Item D, Albert to Sorensen, May 20, 1936 (HFM 0002034-0002036).

grounds, and the plan was abandoned in August 1936.<sup>117</sup>

In addition to the legal, political and practical problems stemming from its status as a foreign firm, Ford-Werke ran into difficulties with the German government due to its choice of managers. In the 1930s, Nazi officials were openly hostile to Ford-Werke in part because of the backgrounds and conduct of two of the company's general managers during the decade – Edmund Heine, a German-born, naturalized American citizen who was seen by the Germans as overbearing and insincere, and Diestel, who was of Jewish ancestry and had no experience in the automotive business.<sup>118</sup> (See Section 2.4. for more information on the sequence of events.)

In some other respects, Ford-Werke's relations with the German government improved in 1936 and 1937.

In 1936, Adolf Hitler chose the Ford exhibit at the International Automobile Exhibition in Berlin to highlight Henry Ford's assembly line methods as a model for German industry. A few days later, Hermann Göring, a high-profile Nazi official, bought a German Ford Eifel model.<sup>119</sup> Although the demise of the Stoewer-Werke deal temporarily increased tensions with the German government, the government authorized Ford-Werke to increase its domestic production to 24,000 vehicles in 1937.<sup>120</sup> That same year, Nazi authorities formally certified Ford-Werke products as being of German origin, despite the fact that the company continued to import rubber and tires from Ford subsidiaries abroad. The long sought-after certification was an important step; with it, Ford-Werke became eligible to receive government contracts.<sup>121</sup>

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<sup>117</sup> Ford-Werke Records, Board Meeting Minutes, May 13, 1936 (FW 00002822-0002823) and Board Meeting Minutes August 10, 1936 (FW 0002825); HFM, Acc. 38, Box 33, File: 168-F-1 Jan-Jun, Albert to Sorensen, January 20, 1936. Perry informed Sorensen that information presented at the directors' meeting [in June], which initially influenced Sorensen to proceed with the merger plan while Vitger investigated, apparently was inaccurate. The business had not operated at a profit for years, and substantial losses had been incurred; see HFM, Acc. 38, Box 33, File: Item #3 - Germany - 1936, Perry to Sorensen, July 14, 1936 (HFM 0002861-0002864).

<sup>118</sup> FMC, AR-98-213541, Box 131, File: Supplemental-Excerpt Ford-Cologne-1930s, Diefenbach to Roberge, September 12, 1935 (FMC 0006541-0006544).

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<sup>119</sup> HFM, Acc. 38, Box 33, File: Jan-Jun, Item F, Diestel to Sorensen, March 2, 1936 (HFM 0001890-0001891).

<sup>120</sup> FMC, AR-98-213541, Box 131, File: Supplemental-Excerpt Ford-Cologne-1930s, Diestel to Sorensen, March 3, 1937 (FMC 0006536-0006537). On the Stoewer-Werke proposal, see Ford-Werke Records, Meeting Minutes, August 10, 1936 (FW 0002825); and HFM, Acc. 6, Box 97, File: 1935 - Cologne, Albert to Edsel Ford, August 17, 1936 (HFM 0000542-0000551).

<sup>121</sup> Ford-Werke Records, Business Report for 1937, April 1938, p.5 (FW 0005331-0005338). See also Reich, *The Fruits of Fascism*, pp. 115-117.





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## Section 4

# GERMAN INDUSTRIAL MOBILIZATION AND PREPARATIONS FOR WAR, 1936 - 1939

### 4.1. Four-Year Plan

In October 1936, the Nazi government announced the creation of an economic Four-Year Plan under Hermann Göring. The plan entailed a series of wide-ranging measures to regulate core elements of the German economy. Its principal goals were to promote the development of key heavy industries needed for military rearmament and to encourage increased domestic production of strategic materials such as rubber, petroleum and iron ore.<sup>122</sup> In line with these aims, Nazi officials imposed extensive controls over foreign trade both to protect domestic producers and to regulate the use of Germany's dwindling reserve of foreign exchange. Despite control measures dating back to before the Nazi era, the country's foreign exchange reserves had largely been depleted by 1934,

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<sup>122</sup> Overy, *War and Economy in the Third Reich*, pp. 185-188.

<sup>123</sup> Gustav Stopler, *German Economy* (New York: Harcourt Brace and World, Inc., 1967), p. 143; Overy, *War and Economy in the Third Reich*, pp. 3-4.

<sup>124</sup> V.R. Berghahn, *Modern Germany: Society, Economy, and Politics in the Twentieth Century* (Cambridge: Cambridge University Press, 1987), pp. 148-149. In the buildup to the war, the government took further steps to improve Germany's military readiness, culminating in a new National Service Law, enacted on September 1, 1939. The law allowed the government to take control of plants and raw materials to increase the capacity of war industries and convert factories for war material production; see Maxine Y. Woolston, *The Structure of the Nazi Economy* (New York: Russell & Russell, 1968), p. 52.

severely handicapping Germany's ability to export and exacerbating the economic crisis during the early 1930s.<sup>123</sup> While the Four-Year Plan was publicly described as an effort to bring the German economy out of depression, historians argue that the underlying motivation was to begin preparing for Germany's military mobilization.<sup>124</sup>

Recognizing the particular importance of the automotive industry, the Nazi government imposed a special set of controls for automobile manufacturers. In November 1938, Adolph von Schell was designated Plenipotentiary for Automotive Affairs under the Four-Year Plan. In this capacity, von Schell headed the newly created Automotive Office Group, which was charged with accelerating efforts to rationalize domestic production to meet the demands of Germany's military mobilization.<sup>125</sup> Shortly after von Schell's appointment, he and Göring invited representatives from leading automotive firms to attend a general meeting in Berlin, where they explained the task of harnessing Germany's automobile industry to military needs.<sup>126</sup> The central

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<sup>125</sup> Overy, *War and Economy in the Third Reich*, p. 196; BA-F, RW 19/661, Organizational Chart for the General Plenipotentiary for Automotive Affairs, August 1941 (BAF 0133-0137).

<sup>126</sup> The meeting was held on November 24, 1938, and included representatives from Ford-Werke; see FMC, AR-98-213541, Box 131, File: Supplemental - Excerpt Ford - Cologne - 1930s, Memo from Diestel, November 25, 1938 (FMC 0006546).

goal of von Schell's program was to increase domestic output by reducing the number of models and standardizing automobile production in close cooperation with automobile manufacturers.<sup>127</sup> While these efforts were not fully realized before the outbreak of the war, von Schell's office continued to have general oversight in coordinating automobile production with military requirements until it was eventually subsumed into the Ministry for Armaments and War Production under Albert Speer, one of the most powerful officials in Nazi Germany.<sup>128</sup>

## 4.2. Ford-Werke and German Military Mobilization

Like other companies in Germany, Ford-Werke was affected by the economic programs implemented during the mid- and late 1930s. In line with the general provisions of the Four-Year Plan, Nazi authorities used German firms with foreign connections as a means of procuring raw materials in a complex barter system, without straining Germany's dwindling foreign reserves. In June 1936, Ford-Werke, Ford Motor Company and the German government entered into an agreement whereby Ford-Werke exported parts and vehicles in exchange for German government-issued foreign exchange licenses allowing it to buy crude rubber from other Ford subsidiaries. Once acquired, the crude rubber was then sold to German tire manufacturers, with the German

government receiving 30 percent of the tires that were manufactured using these supplies.<sup>129</sup> A broader agreement was signed in late 1936 to cover the supply of pig iron, nonferrous metals and rubber for the following year. Under this new agreement, Ford Motor Company shipped raw materials to Germany in exchange for parts from Ford-Werke. These shipments totaled 1.9 million pounds of rubber and 130,000 pounds of copper during the early part of 1937.<sup>130</sup> The 1937 agreement also included a provision, as did similar agreements signed in 1938 and 1939, that a portion of the raw materials delivered by Ford Motor Company had to be provided for use by other German firms.<sup>131</sup>

The amounts of raw materials allocated to Ford-Werke by government officials under the Four-Year Plan were tied to the firm's ability to expand its exports. In 1937, for example, Ford-Werke received a production quota of 32,000 vehicles on the condition that 8,000 vehicles were exported. Some of the foreign exchange earned from these exports was then used to purchase raw materials from abroad to make up shortfalls in the amounts allocated to Ford-Werke by the German government.<sup>132</sup> As Robert Schmidt noted in a postwar report, "The government invented all sorts of means to push export, both financially and otherwise," and the automobile industry, including Ford-Werke, was one of the first targets for these efforts. In a statement to military investigators after the war, Heinrich Albert said that the German government told Ford-Werke and other companies that if they wanted to stay in business in Germany, they must "facilitate Germany by exports and imports." Since Ford-Werke's foreign sales territory was confined to areas of Europe not already

<sup>127</sup> HFM, Acc. 38, Box 40, File: Germany 1938, Albert to Sorensen, December 15, 1938 (HFM 0000294); FMC, AR-65-1500, Box 6, Germany 1939-1945 (Sorensen), Albert to Sorensen, February 2, 1939 (FMC 0003177-0003178). See also Peter Kirchberg, "Typisierung in der deutschen Kraftfahrzeugindustrie und der Generalbevollmächtigte für das Kraftfahrwesen. Ein Beitrag zur Problematik staatsmonopolistischer Kriegsvorbereitung," in *Jahrbuch für Wirtschaftsgeschichte* (1969/II), p. 132.

<sup>128</sup> PRO, FO 1078/52, British Field Information Agency, Technical - Economic Branch (F.I.A.T.) Report on the German Motor Vehicle Industry during World War II, 1946 (PRO 0000085); Peter Lessmann, "Ford Paris im Zugriff von Ford Köln 1943: Das Scheitern des Projekts eines europäischen Automobil-Konzerns unter deutscher Leitung," in *Zeitschrift für Unternehmensgeschichte*, vol. 38, no. 4 (December 1993), pp. 218-219.

<sup>129</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 54, Memo by Schmidt on rubber and raw material agreement, August 3, 1945 (NARA 0000157) and Exhibit 65, Memo by Schmidt on rubber deal closed in June 1936, August 3, 1945 (NARA 0000194).

<sup>130</sup> HFM, Acc. 285, Box 2025, File: Subjects Mr. C.E. Sorensen May Wish to Discuss at Asnières and Cologne, Departmental Correspondence with attachments, February 16, 1937-May 10, 1937 (HFM 0007454-0007478).

<sup>131</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 74, Memo from Schmidt - raw material agreement, August 6, 1945 (NARA 0000208-0000210), Exhibit 78, Translation, 1937 raw materials agreement (NARA 0000216-0000217).

<sup>132</sup> See HFM, Acc. 285, Box 2025, File: Germany 1937, Board Meeting June 11, 1937 (HFM 0007489-0007490); HFM, Acc. 285, Box 2025, File: Subjects Mr. C.E. Sorensen May Wish to discuss at Asnières and Cologne, Departmental Correspondence with attachments, February 16, 1937-May 10, 1937 (HFM 0007454-0007478).

assigned to other European Ford subsidiaries, Ford-Werke turned to Ford Motor Company for help. Despite objections from Ford of Britain and Ford of France, Ford eventually decided to open other sales territories to competition from Ford-Werke in 1937.<sup>133</sup> In a letter to Albert, Perry commented on the situation, pointing out that “The whole world-wide Ford organization ... has been trying to help the problems of Ford Motor Co A/G [Ford-Werke]; by buying and by assisting in the disposal of Ford products into territories which, in the ordinary course of business, are closed to Germany.”<sup>134</sup>

The Four-Year Plan’s emphasis on expanding Germany’s military output also had an impact on Ford-Werke, which was seeking to do business with the government. The proposed merger with Stoewer-Werke had been part of the strategy to get onto the German War Office’s list of government suppliers. When the merger fell apart in the summer of 1936 (See Section 3.3.), the chances of getting government work appeared doomed, but Ford-Werke enlisted the help of

an employee who was a former army officer, and reopened government negotiations. As a result, in the spring of 1937, the War Ministry office asked Albert and then-manager Erich Diestel if Ford-Werke could build a special army truck. Following a board meeting attended by Charles Sorensen, the War Ministry sent prints of the truck to Ford-Werke and indicated that the vehicle must be built near Berlin.<sup>135</sup> Negotiations continued through the summer, and government representatives toured Ford-Werke in August. Diestel authorized a Ford-Werke commitment to the government Weapon Office to do the work and to procure a plant in central Germany, a step that Schmidt later characterized as premature and done without the knowledge of the Ford-Werke board chairman.<sup>136</sup> Schmidt, Vitger and a visiting Ford manager convinced Diestel to discuss the subject in person with Dearborn before proceeding further. Diestel was already scheduled to go to Dearborn; Albert decided to follow him.<sup>137</sup> Before the Dearborn trip, Albert, Diestel, Vitger and Schmidt drafted a proposal for Albert to submit to the German military.<sup>138</sup> The Dearborn trip was in November. Vitger and Schmidt cabled Albert and

<sup>133</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 54, Memo from Schmidt on rubber and raw material agreement, August 3, 1945 (NARA 0000156); NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations - Misc., Report on discussion with Albert, September 18, 1945 (NARA 0007154). In commenting on the need to expand exports, Erich Diestel, the Ford-Werke manager, noted, “According to present German ideas, an enterprise in Germany is only justified to exist in so far as it submits to the general political and economical requirements of the State.” See HFM, Box 2025, File: Ford Motor Co. - Germany 1937, Board Meeting 6/11, 1937, Diestel to Sorensen with attached agenda, May 12, 1937 (HFM 0007752).

<sup>134</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 60C, Perry to Albert, March 10, 1937 (NARA 0000171-0000172).

<sup>135</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 96, Letter to Sorensen, September 1, 1937 (NARA 0000273) and Exhibit 99A, Memo by Bussien on army truck of the Reich War Ministry Weapons Office, June 15, 1937 (NARA 0000284; for English translations, see NARA 0000283 and NARA 0005877-0005878).

<sup>136</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 96, Draft letter from Diestel to Sorensen, September 1, 1937 (NARA 0000273), Exhibit 105A, Posekel to Schmidt, August 12, 1937 (NARA 0000300; for English translations, see NARA 0000298-0000299 and NARA 0005933-0005934), Exhibit 101, Memo by Schmidt on command car, August 2, 1945 (NARA 0000286). In this August 2, 1945, memo, Schmidt wrote, “From the file it is evident, that Diestel prior to July 1st 1937 had negotiated with the army and had gone rather far to commit Ford ... much farther than we thought possible to go.”

<sup>137</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 114A, Schmidt to Diestel, September 2, 1937 (NARA 0000318; for English translations, see NARA 0000272 and NARA 0005947). Diestel drafted a letter to Sorensen to report on the “remarkable progress” made in the effort to obtain orders from the War Ministry. But the letter was never sent. The head of Ford’s purchasing department, who was visiting from Dearborn, agreed with Schmidt and Vitger that Dearborn should be fully involved in the decision. To U.S. military investigators after the war, it was obvious why Diestel’s draft was not sent: “Although mentioning the possibility that Albert or he could go to the United States to submit details, Diestel boldly expressed the belief that a meeting at Dearborn was unnecessary ... and suggested that he be given discretion.” See Schneider Report, p. 24, September 5, 1945 (NARA 0000026) and Exhibit 96, draft letter from Diestel to Sorensen, September 1, 1937 (NARA 0000273). In a postwar memo, Schmidt said that Albert decided to travel to Dearborn for the discussions on account of Diestel’s “shortcomings.” “The whole thing seemed far fetched and proved that Diestel had gone too far regardless of Ford’s ideas and tradition. Now we had to try to swing the pendulum back far enough to secure the approval of Detroit. Former experience – the Stöwer case, to name one instance – had taught us, how difficult it was to get a consent from Dearborn.” See Schneider Report, Exhibit 101, Memo by Schmidt on command car, August 2, 1945 (NARA 0000286).

<sup>138</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 110A, Memo by Schmidt, September 14, 1937 (NARA 0000310; for English translations, see NARA 0000309 and NARA 00005940-00005941), Exhibit 111A, Ford-Werke to Army High Command, September 20, 1937 (NARA 0000313;

Diestel in Dearborn, saying that it was essential to get the program under way because the Ministry of Economics had advised the police not to buy Ford-Werke vehicles.<sup>139</sup> In the Dearborn discussions, Sorensen indicated that he wanted Ford-Werke to work with a German company that would provide technical expertise. Albert returned to Germany and discussed the possibility of joining forces with Ambi-Budd Presswerk GmbH, a Ford supplier already doing work for the government.<sup>140</sup> Sorensen responded that Dearborn had no objection but wanted a definite plan discussed because it was “not clear to us what is the product they plan on making.” However, Sorensen wrote, Ford-Werke could count on Dearborn for help with a program for the government.<sup>141</sup>

By early December 1937, Ford-Werke had developed a plan to manufacture military vehicles at a facility in Berlin in a joint venture with Ambi-Budd, and requested Ford’s approval.<sup>142</sup> Albert’s letter and an outline of the plan came to the attention of another Ford executive, A.M. Wibel, and the subject of war

matériel arose in telephone conversations between Wibel and Albert. Albert cabled Wibel to assure him that, “Governmental orders do not concern war material but chassis suitable for ambulances passenger platform van bodies [sic] these vehicles differing from ordinary trucks only in that they are specially built for cross country purposes. ... They will not be used for military purposes more than any other private car or truck requisitioned by the government in case of war.”<sup>143</sup> In January 1938, Sorensen told Albert that “in principle” Dearborn had no objections, but the truck project was complicated and the details were vague. He wanted to discuss the plan in person with the authorities.<sup>144</sup> Meanwhile, while Schmidt was in Dearborn on other matters, the truck project came up

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for English translation, see NARA 0000311-0000312 and NARA 0005942-0005943), Exhibit 112A, Memo by Diestel, September 24, 1937 (NARA 0000317; for English translation, see NARA 0000314). According to Schmidt, Albert had much influence with the Army; see Schneider Report, Exhibit 2, Memo by Schmidt on Albert, June 22, 1945 (NARA 0000049). When an interrogator wanted to clarify after the war whether Albert had tried to “play ball” with the Nazi War Ministry, Albert responded, “But I did not say the Nazi Ministry, the Ministry of Economics ... the people were in hopes of getting rid of the Nazi machine by the War Ministry.” See NARA, Report of Discussions with Mr. Albert on Tuesday, September 18, 1945 (NARA 0007158).

<sup>139</sup> The cable indicated that “heavy attacks” had been launched on Ford-Werke by the RDA [Reichsverband der deutschen Automobilindustrie], the German automotive trade association, and had seemingly influenced the Reich Ministry of Economics. The attacks were part of a longstanding legal dispute (beginning in October 1932) between the RDA and Ford-Werke over Ford-Werke’s right to claim that its products were German; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 117, Vitger/Schmidt to Albert/Diestel, November 11, 1937 (NARA 0000321); Ford-Werke Records, Ford Motor Company A/G Board of Directors Meeting Minutes, September 6, 1933 (FW 0002763-0002765); and FMC, AR-98-213541, Box 92, File: Manager’s Monthly Reports, Cologne 1931-1938, Manager’s Report to Directors, August 1933 (FMC 0006501-0006502). See also Section 2.4. Postwar U.S. military investigators reported that “This may well have been a step taken by the German government to press Dearborn for a favorable decision.” See Schneider Report, p. 25, September 5, 1945 (NARA 0000027).

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<sup>140</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 119A, Report by Posekel on discussion with Zuckertort, November 25, 1937 (NARA 0000324; for English translations, see NARA 0000322-0000323 and NARA 0005948-0005849), Exhibit 97, Memo on assembly of military trucks, November 25, 1937 (NARA 0000278) and Exhibit 118, Albert to Sorensen, December 1, 1937 (NARA 0000321). In a postwar memo, Schmidt wrote, “After Alberts [sic] return we were informed that the proposal had met with approval. Ambi Budd was to furnish engineering [sic] help, to make a number of part [sic], help with the lay out, and of course furnish the complete body.” See Schneider Report, Exhibit 101, Memo by Schmidt on command car, August 2, 1945 (NARA 0000287).

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<sup>141</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 122, Sorensen to Albert, December 2, 1937 (NARA 0000331).

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<sup>142</sup> FMC, AR-98-213541, Box 131, File: Supplemental-Excerpts Cologne 1930s, Memo covering the orders from the government, December 7, 1937 (FMC 0006549-0006552).

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<sup>143</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 124, Albert to Wibel, December 23, 1937 (NARA 0000333). The U.S. Military Government, noting the telephone and cable communications between Albert and Wibel on this subject, concluded after the war that Wibel’s involvement may have been due to Sorensen’s absence. See Schneider Report, p. 27, September 5, 1945 (NARA 0000029).

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<sup>144</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 127, Sorensen to Albert, January 5, 1938; HFM, Acc. 38, Box 40, File: Germany 1938, Sorensen to Albert, January 17, 1938 (HFM 0006810). Sorensen also wrote to Sir Perry asking for his help because it was now clear that Albert had to go along with the authorities on the government project; see HFM, Acc. 38, Box 85, File: European Purchase 1938 - Group 2, Sorensen to Perry, January 14, 1938 (HFM 0006792). After Sorensen’s approval “in principle” cable was received, Albert cabled Schmidt, who was aboard ship en route to Dearborn, stating that “any attempt to make our product understood would result only in immediate restriction of principle approval. ... Suggest

for discussion. Sorensen drew a rough sketch for Schmidt to take back to Cologne.<sup>145</sup>

In February 1938, Albert was advised by the military that Ford-Werke was to assemble a troop carrier rather than a truck. Details were to remain confidential and technical information was not to be sent to the United States. Albert decided that it was Ford-Werke's duty to take on the project, but that the final decision could wait until Sorensen's visit.<sup>146</sup> Ford-Werke's board meeting was scheduled around Sorensen's meeting with the War Ministry.<sup>147</sup> On April 16, 1938, Sorensen cabled from Berlin to Dearborn with the message that the "German plans are turning out very satisfactory [sic]."<sup>148</sup>

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for known reasons care on your part concerning technical questions and to avoid generally everything which might cause restrictions on principle approval." See Schneider Report, Exhibit 132A, Albert to Schmidt, January 20, 1938 (NARA 0000346; for English translations, see NARA 0000347 and NARA 0005961).

<sup>145</sup> In a postwar memo, Schmidt said Sorensen's idea was to build a military body around a standard truck chassis with slight amendments. He sketched it and promised to convince the German high command of his idea during his upcoming visit [April 1938]; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 101, Memo by Schmidt on command car, August 2, 1945 (NARA 0000287-0000288). In February 1938, chief engineer Valentine Tallberg, who was working in Cologne on assignment from Dearborn, urged Albert to tell Sorensen that a prototype along the lines of his sketch had already been developed; see Schneider Report, Exhibit 135A, Tallberg to Albert, February 16, 1938 (NARA 0000354; for English translations, see NARA 0000353 and NARA 0005965-0005966).

<sup>146</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 137A, Memo by Albert on discussion with Captain Schmiedel, February 19, 1938 (NARA 0000357; for English translation, see NARA 0000358). In a memo to Sorensen, Albert explained that all German manufacturers were obligated to execute government orders. A refusal to do so would mean forfeiting the claim of being a German company, with the additional problem of being seen as having made the claim only to get the advantages but refusing to shoulder the obligations; see Schneider Report, Exhibit 107, Albert to Sorensen, February 28, 1938 (NARA 0000303).

<sup>147</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 139A, Diestel to Albert, March 4, 1938 (NARA 0000359; for English translations, see NARA 0000361 and NARA 0005970).

<sup>148</sup> In the cable, Sorensen said to the recipient (Gnau): "Tell EB that German plans are turning out very satisfactory [sic]." The words "Mr. Edsel Ford" were handwritten across the top margin; see HFM, Acc. 38, Box 85, File: European Purchase 1938 - Group 5, Sorensen to Dearborn, April 16, 1938 (HFM 0006808).

Ford-Werke and Ambi-Budd executed an agreement on September 23, 1938. Ford-Werke would lease manufacturing facilities from Ambi-Budd at its plant in Berlin-Johannisthal and would supply equipment, while Ambi-Budd would supply labor and technical support. The agreement called for the lease of 17,562 square meters (189,036 square feet) of space at the Berlin plant until October 1941.<sup>149</sup> Access by American representatives of Ford was heavily restricted, and Ford management was not informed of the factory's activities.<sup>150</sup> According to some reports, production began with passenger cars, but with the outbreak of war, the plant began manufacturing military vehicles, including an SPKW [Schwerer Personenkraftwagen] heavy personnel carrier.<sup>151</sup> The Berlin-Johannisthal plant produced 1,072 troop carriers in 1940. After making 765 SPKW vehicles during the first half of 1941, the Berlin assembly plant ceased operations on June 7, 1941. The agreement between Ford-Werke and Ambi-Budd expired later that year, and most of the

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<sup>149</sup> Ford-Werke Records, Lease Agreement, September 23, 1938 (FW 0004104-0004107); FMC, AR-98-213541, Box 131, Office of Lord Perry report on Germany Historical Data, September 19, 1946, hereafter Perry Report, (FMC 0000935); FMC, AR-98-213541, Box 131, File: Supplemental-Excerpts Cologne 1930s, Memo covering the orders from the government, December 7, 1937 (FMC 0006549-0006552). A U.S. government official in Berlin reported receiving confidential information that Ford of Germany (Ford-Werke) had been given a voluntary German government contract for 3,550 trucks to be built near Berlin. Other confidential information indicated that the government's new metric standardization regulation, which had been aimed at Ford-Werke, was lifted for Ford-Werke, allowing Ford-Werke to retain its export advantage due to American standards. See NARA, RG 151, Entry 14, Box 26, File: Foreign Service - Berlin 1938 September, Economic & Trade Notes # 46, September 10, 1938 (NARA 0004988).

<sup>150</sup> NARA, RG 226, Microfilm M1499, Reel 263, Department of Justice, Report on Ford-Werke AG, May 10, 1943 (NARA 0004264-0004265). In a postwar interview, Russell Roberge, a Ford executive who handled foreign business matters, recalled visiting the Berlin plant: "I remember attempting to visit the plant to find out what it was doing. This was shortly before the war started. I had a good deal of trouble in getting into the place. When I did get in, I was not allowed to find out just what they were doing there. We had no supervision over that operation because apparently it was something they were making for the German Army and it was restricted." See HFM, Acc. 65, Box 56, File: Roberge - Draft, Reminiscences of Russell Roberge, 1954-1955 (HFM 0005177).

<sup>151</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935); NARA, RG 226, Microfilm M1499, Reel 263, Department of Justice, Report on Ford-Werke AG, May 10, 1943 (NARA 0004264-0004266). See also NARA, RG 407,

machinery at the Berlin-Johannisthal plant was returned to Cologne.<sup>152</sup>

According to a Ford-Werke manager's report to directors, Ford-Werke's business with the German authorities "developed extraordinarily" during the third quarter of 1938.<sup>153</sup> According to Albert, "the demand could only be satisfied by importing a considerable number of American trucks."<sup>154</sup> Following a cable exchange with Dearborn, and negotiations between Ford-Werke's Berlin office and the government

purchasing agency, Ford-Werke placed an order with Ford Motor Company for 1,000 truck cabs and platforms.<sup>155</sup> Delivery took place between September 19 and October 20, 1938. The trucks were assembled in Cologne and delivered to Wirtschaftliche Forschungs GmbH [Economic Research Company] for the German government and military.<sup>156</sup> The trucks were used in the invasion and occupation of Czechoslovakia, according to Albert and Schmidt, in a 1941 letter to the Reich Commissioner for the Treatment of Enemy Property.<sup>157</sup>

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Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001562).

<sup>152</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935); BA-F, RW 21/1, War Diary, February-November 1941 (BAF 0790-0794). According to Lord Perry's report, RM 2 million worth of tool dies were left at the Ambi-Budd facility, and these dies were still at the Ambi-Budd facility as of September 1946.

<sup>153</sup> FMC, AR-98-213541, Box 92, File: Reports - Internal, Manager's Report to Directors - Third Quarter 1938, November 11, 1938 (FMC 0007780).

<sup>154</sup> NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc., Report on Discussion with Albert, September 18, 1945 (NARA 0007156). Albert said that the German military wanted 1,500 trucks rather quickly, without saying how they would be used. The only way Ford-Werke could comply was to get trucks from the United States.

<sup>155</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo on conversation with Vitger, June 11, 1945 (NARA 0006981) and Memo on conversation with CIC (Counter Intelligence Corps) - Cologne, June 11, 1945 (NARA 0006985); FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001965). After the war, Schmidt recalled that in September 1938 another deal was made with Dearborn for shipment of up to 1,000 additional trucks to Hungary; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report,

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Exhibit 158, Memo by Schmidt on import of trucks, June 26, 1945 (NARA 0000396).

<sup>156</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 160A, Memo from Diestel on trucks for Germany, September 14, no year (NARA 0000400; for English translation, see NARA 0000398-0000399), Exhibit 159, Supplementary memo by Schmidt on trucks, August 12, 1945 (NARA 0000397).

<sup>157</sup> BA-L, R 87/6205, Schmidt and Albert to Reich Commissioner, June 18, 1941 (BAL 1183; for English translation, see BAL 12930). In the letter, Albert and Schmidt attempted to make the case for appointing either Albert or Schmidt [rather than an outsider] as the Nazi government's wartime trustee, or custodian, for Ford-Werke in the event of a possible war between the United States and Germany. (See Section 5.4. for more information on the appointment of a custodian.) In detailing how Ford-Werke had developed into a purely German company, they took credit after the fact for procuring U.S.-built trucks for the German army: "Already before the war it [Ford-Werke] helped the army through a bottleneck during the march into Czechoslovakia with large shipments from abroad." After the war, Albert said that he had not known in advance how the imported trucks were to be used. He told U.S. military investigators that he "felt doublecrossed" when he learned they were used in Czechoslovakia; see NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc., Report on Discussion with Albert, September 18, 1945 (NARA 0007156).

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## Section 5

# FORD-WERKE IN THE GERMAN WARTIME ECONOMY, 1939-1945

### 5.1. Outbreak of War

With the outbreak of war in 1939, the German government exercised much tighter control over the activity of firms owned by neutrals. With a few exceptions, commercial transactions between the United States and Germany became increasingly difficult, and Ford-Werke had great trouble communicating with Ford Motor Company.<sup>158</sup> In June 1941, the United States froze all German assets in America. In response, the Reich Commissioner of Economics issued a general order freezing all American property in Germany.<sup>159</sup> According to a postwar investigation by U.S. military authorities, American influence over the Ford-Werke plant decreased after the outbreak of war in September 1939 and “ceased altogether in 1941.”<sup>160</sup>

During the Nazi military buildup, industrial factories became subject to oversight through a system of Defense Inspectorates first put into operation in 1934.<sup>161</sup> Ford-Werke fell under the jurisdiction of the Cologne Armaments Command of the Reich Ministry for Rearmament and War Production, which in turn reported to the Defense Inspector VI based in the city of Münster.<sup>162</sup> These local commands and inspectorates reported to the army offices and Nazi government agencies that oversaw military production contracts.<sup>163</sup> An Army Inspection Office was established at the Ford-Werke facility.<sup>164</sup>

Ford-Werke’s dependence on foreign capital was a matter of contention between the German government and Ford-Werke during the early part of the war.<sup>165</sup> In 1939, Ford Motor Company owned a total of 81 percent of Ford-Werke, 75 percent directly and 6

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<sup>158</sup> NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Germany: Industrial and Economic Development, Memo from Albert, September 16, 1945 (NARA 0007174-0007175).

<sup>159</sup> NARA, RG 131, Entry 247, Box 171, File: General - Germany, Reich Commissioner for Economics Decree, June 28, 1941, in Board of Trade for German-American Commerce, Inc., News Letter, July 31, 1941 (NARA 0002471-0002472).

<sup>160</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001562).

<sup>161</sup> Berenice A. Carroll, *Design for Total War: Arms and Economics in the Third Reich* (The Hague: Mouton, 1968), pp. 111-113.

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<sup>162</sup> For an example of reports from these offices referring to activities at Ford-Werke, see BA-F, RW 19/10, Monthly Report of the Defense Inspection Office VI, January 21, 1936 (BAF 0296-0297); and BA-F, RW 21/1, War Diary of the Cologne Munitions Command, August 29, 1939 (BAF 0764).

<sup>163</sup> Carroll, *Design for Total War*, pp. 111-121.

<sup>164</sup> WNRC, Acc. 299-68A-0243, Box 537, Book 29-II.A-1944 (1), Streit to Armaments Ministry, January 24, 1944 (DOJ 0003484-0003485).

<sup>165</sup> HFM, Acc. 712, Box 9, File: Correspondence 1939 No. 1, Memo from Roberge, July 26, 1945 (HFM 0003837-0003841).

percent indirectly.<sup>166</sup> In December 1940, Ford-Werke executives began discussing a plan to increase the company's stock capitalization.<sup>167</sup> Initially inspired by Ford-Werke's need for capital (which Albert later attributed to delays by the German government in paying for goods and services), the plan also was intended to benefit Ford-Werke's position with the German government by reducing Ford Motor Company's stake in the firm.<sup>168</sup> The proposal called for the issuance of RM 12 million in new stock to be sold through German banks, raising Ford-Werke's total stock capitalization to RM 32 million and decreasing Ford's ownership stake in Ford-Werke to 55.75 percent (52 percent direct and 3.75 percent indirect).<sup>169</sup> Ford approved the plan.<sup>170</sup> In February 1941, Schmidt and Vitger presented the plan to the Reich Economic Minister. They cited the problems encountered by Ford-Werke due to the predominance of foreign capital and emphasized the potential reduction of foreign ownership in the proposed recapitalization plan.<sup>171</sup> The

German government authorities approved Ford's continued role as majority shareholder, with the reduced share of ownership. The recapitalization proceeded as planned and became effective on March 24, 1941.<sup>172</sup> In late November 1941, just before the United States entered the war, Albert drafted a confidential memo about the advisability of a "complete Germanization," whereby German investors would own all or most of the shares of Ford-Werke. In the memo, Albert outlined how he had persuaded the German authorities that an American majority, even if only a small one, was essential for access to Ford's excellent worldwide sales organization and production methods, and for raw materials and exports. He also argued that American majority control would enable Ford-Werke to exercise influence over the other European Ford companies. Albert noted that after he had discussed these issues with the German authorities prior to Ford-Werke's share capital restructuring in March, the authorities had rejected "Germanization" in favor of continued American majority ownership of 52 percent.<sup>173</sup>

<sup>166</sup> HFM, Acc. 713, Box 11, File: Corporate Structure-European Operations, Preliminary Report, February 20, 1948 (HFM 0002640-0002642); Coopers & Lybrand Records, Lybrand, Ross Bros. & Montgomery to Henry Ford II, March 19, 1948 (CL1 0000316-0000318).

<sup>167</sup> BA-L, R 8119F/P3334, Secret memo, December 12, 1940 (BAL 9128-9129).

<sup>168</sup> NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Germany: Industrial and Economic Development, Memo from Albert, September 16, 1945 (NARA 0007174-0007175).

<sup>169</sup> Coopers & Lybrand Records, Lybrand, Ross Bros. & Montgomery to Henry Ford II, March 19, 1948 (CL1 0000316-0000318).

<sup>170</sup> NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Germany: Industrial and Economic Development, Memo from Albert, September 16, 1945 (NARA 0007174-0007175). In this postwar memo, Albert discussed his strategy in persuading Ford to increase the share of German-owned capital, while decreasing the U.S. share. Albert reasoned that by retaining a smaller majority share, the Americans would still be able to maintain a firm grip on the control of Ford-Werke, while somewhat alleviating the German animosity against foreign-owned companies and gaining some goodwill for Ford-Werke in Germany.

<sup>171</sup> BA-L, R 8119F/P3334 Letter from Vitger and Schmidt to Reich Economic Minister, February 4, 1941 (BAL 9150-9153).

<sup>172</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Schmidt to Reich Commissioner, August 31, 1942 (DOJ 0011030-0011031; for English translation, see DOJ 0011035); BA-L, R 87/6205, Memo from Reich Commissioner, April 22, 1941 (BAL 1178).

## 5.2. Robert Schmidt's Appointment as Wehrwirtschaftsführer

On April 20, 1941, Ford-Werke co-manager Robert Schmidt was appointed Defense Economic Leader [Wehrwirtschaftsführer] for the Cologne facility and for Ford's subsidiaries in occupied Europe.<sup>174</sup> Originally established in 1936, the Wehrwirtschaftsführer were a special group of economic leaders throughout Germany charged with coordinating communication

<sup>173</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 1A, Albert, copy to Schmidt, November 25, 1941 (NARA 0000047-0000048; for English translations, see NARA 0000046-0000047 and NARA 0005816-0005817); NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Germany: Industrial and Economic Development, Memo from Albert, September 16, 1945 (NARA 0007174-0007175). According to a postwar memo by Ford Motor Company executive Russell Roberge, Albert, by mentioning these advantages, was using "logical reasoning which would appear advantageous to the German government" to safeguard Ford Motor Company's majority interest in Ford-Werke. See HFM Acc. 712, Box 9, File: Correspondence 1939 No. 1, Memo from Roberge, July 26, 1945 (HFM 0003837-0003841).

<sup>174</sup> BA-F, RW 20/3, Entry in War Diary, Muenster, April 22-28, 1941 (BAF 1168). After the German defeat in 1945, Allied



between the army and the industrial facilities, especially for strategic, war-related manufacturing. These officials, selected from leading businessmen, were required to take the same oath as army officers and were “held responsible for speeding up work not only in their own enterprises but in their districts generally.”<sup>175</sup>

### 5.3. Government Oversight of Production

Overall planning for production at Ford-Werke during the first years of the war fell under the control of Adolph von Schell in his role as the Plenipotentiary for Automotive Affairs, though von Schell often worked in close cooperation with the Automotive Industry Economic Group [WiGruFa]. For example, von Schell created Change Commissions that were charged with visiting the companies and trying to assess how to conserve scarce materials and produce more efficiently. Such a commission visited Ford-Werke in April 1942, and was particularly interested in Ford-Werke’s three-ton-truck production.<sup>176</sup>

After von Schell was dismissed in 1942, the functions of his office were transferred to the Reich Ministry of Armament and War Production under the

authority of Albert Speer.<sup>177</sup> In line with steps taken with other industries, Speer created a Main Committee for Automobiles to oversee vehicle production and serve as an intermediary between the automotive industry and the armed forces.<sup>178</sup> Although the automotive industry developed its own procedures to standardize operations and rationalize production, the Main Committee for Automobiles established production projections for each firm and kept track of the production numbers.<sup>179</sup> The Main Committee also compiled labor statistics from reports generated by the companies and collected information on plant capacity, dispersal of equipment, machine tools and other related questions.<sup>180</sup>

The Main Committee operated through numerous special subcommittees that planned and organized armament programs, and also were charged with keeping raw materials use to a minimum.<sup>181</sup> Ford-Werke was represented on several of these special committees, especially in areas directly affecting the company’s manufacturing activities. These included the Special Committee on Three-ton Trucks, the Special Committee on Automobile Structures, the Special Committee on Spare Parts and several other similar groups. Ford-Werke employees Alfons Streit and Alfons von Gusmann led the Special Maultier [Mule] Committee.<sup>182</sup> Also known as a “half-track,” the

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military officials included all those who held the position of Wehrwirtschaftsführer among those Nazi officials who were to be arrested. See NARA, RG 260, Economics Division, Decartelization Branch, Box 92, File: Industrialists, Leading Industrialists, Financiers and Economic Figures in Nazi Germany Who May Be Subject to Prosecution Under Control Council Law No. 10, August 1, 1946 (NARA 0002984-0002997). See also PRO, FO 1013/1686, Allied Control Authority Directive No. 24, January 12, 1946 (PRO 0000001-0000018).

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<sup>175</sup> Woolston, *The Structure of the Nazi Economy*, p. 51. See also *Das Grosse Lexikon des Dritten Reiches* (Beduerftig/Zentner: Suedwest, 1985), p. 625; BA-F, RW 19/1835, Charter for the Organization of the Military Economic Leader Corps, pp. 182-190, June 22, 1936 (BAF 0056-0070).

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<sup>176</sup> BA-L, R 3/282, Note on Discussion at Ford on April 10 and 11, 1942 (BAL 0456-0470). Present were representatives of the Plenipotentiary for Automotive Affairs, the High Command of the Army, the Reich Finance Ministry, the WiGruFa, the Cologne Armaments Command, an inspector stationed at Ford-Werke, and Faber, Löckmann, Grandi, Balster and Sievers from Ford-Werke.

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<sup>177</sup> Lessmann, “Ford Paris im Zugriff von Ford Köln 1943,” pp. 218-219; BA-L, R 3/289, Advisory Council Members of the Automotive Industry Economic Group, March 24, 1943 (BAL

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0885-0887). The Automotive Industry Economic Group (WiGruFa) was also under Speer. Robert Schmidt of Ford-Werke was a member of the WiGruFa advisory council. The council was headed by the “Direktor” of BMW. Members included representatives from Ambi-Budd, Auto Union, Volkswagen, Adam Opel and Daimler-Benz, in addition to Ford-Werke.

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<sup>178</sup> BA-K, All. Proz. 2/FC 1818, Interrogation of Schaaf, September 21, 1945 (BAK 0001-0009). In November 1942, Wilhelm Schaaf of BMW (who in 1943 also took the helm of the WiGruFa) was appointed head of the Main Committee for Automobiles.

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<sup>179</sup> BA-L, R 3/287A, Ford-Werke to Main Committee for Automobiles, January 5, 1943 (BAL 0441). See also PRO, FO 1078/52, British F.I.A.T. Report on the German Motor Vehicle Industry (PRO 0000036).

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<sup>180</sup> PRO, FO 1078/52, British F.I.A.T. Report on the German Motor Vehicle Industry (PRO 0000036); BA-L, R 3/289, Berlin Representatives of the Motor Vehicle Main Committee, April 15, 1944 (BAL 0889). Alfons von Gusmann of Ford-Werke was on the Main Committee.

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<sup>181</sup> BA-L, R 3101/9088, Board of Advisors Meeting Minutes, November 18, 1942 (BAL 6208-6222).

Maultier was a truck with wheels on the front end and a track on the back end.<sup>183</sup>

#### 5.4. German Government Custodianship of Ford-Werke

When the United States entered the war in December 1941, Ford-Werke fell under the direct authority of the Reich Commissioner for the Treatment of Enemy Property in Berlin. Established in January 1940, this office was responsible for securing and maintaining the assets of firms that were indirectly or directly under majority enemy influence. At a meeting in February 1940, government officials decided that, in general, foreign-owned companies were to be protected and allowed to continue manufacturing operations since they could contribute to the German

war economy. Nazi officials also noted that these firms could be ransomed back to their owners at the end of the war.<sup>184</sup> However, foreign companies were not to be “treated like domestic companies in every respect,” especially in areas relating to special taxation, the assignment of public contracts, the allocation of supplies, etc. German nationals were to be appointed as official custodians of these firms for the duration of the war.<sup>185</sup>

As German-American relations worsened during 1941, Schmidt and Albert were pushing for Albert to be appointed as custodian of Ford-Werke in the event of war between the two countries. They broached the subject with the Reich Commissioner for Enemy Property in a letter written in June 1941, shortly before the Nazi regime froze all American assets in Germany. If a trustee should be needed, they wrote, Albert would be the logical choice, primarily because he had been “the moving force behind the limitation of American influence” over Ford-Werke since 1934, but also because he had been a trustee for enemy property under the imperial government during World War I. The letter also mentioned Schmidt as a possible candidate for custodian.<sup>186</sup> (See Section 8.3. for a description of a similar letter from Albert to the Reich Commissioner one year earlier.) Albert was especially interested in being appointed, and followed up with a visit to the Reich Commissioner.<sup>187</sup> The Reich Economic Minister and the Plenipotentiary for Automotive Affairs endorsed Albert’s appointment in July 1941. But in January 1942, the head of the Security Police and the Security Service (SD) raised

<sup>182</sup> BA-L, R 13/11, List of company representatives on special committees, no date (BAL 3004-3005); BA-L, R 3/281, List of Members of Sub-Committees of the Main Committee for Automobiles (BAL 0443).

<sup>183</sup> Reinhard Frank, *Ford at War*. In *German Trucks & Cars in World War II*, Vol. VIII. (Atglen, Pennsylvania: Schiffer Publishing, Ltd., 1993), pp. 25-31. See Section 6.5. of this report for information about production of Maultiers at Ford-Werke.

<sup>184</sup> BA-L, R 2/30038, Memo by Bänfer on meeting, February 20, 1940 (BAL 3548).

<sup>185</sup> BA-L, R 2/30038, Memo on the treatment of enemy businesses, June 5, 1940 (BAL 3564-3566). For more general information, see Karl Krieger, “Der Reichskommissar fuer die Behandlung feindlichen Vermoegens,” *Bank-Archive*, March 15, 1940, p. 1.

<sup>186</sup> BA-L, R 87/6205, Schmidt and Albert to Reich Commissioner, June 18, 1941 (BAL 1181-1184; for English translation, see BAL 12928-12931). In mid-December 1941, during a Nazi government discussion about appointing custodians for enemy property, the German Undersecretary of State expressed doubts about appointing the managing director of Standard Oil in Germany as the wartime custodian because he was seen as too closely connected with the American parent company. See WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Journal No. II by Warncke, December 15, 1941 (DOJ 0011053-0011054; for English translation, see DOJ 0011055-0011056). Later that month, in a letter to Schmidt discussing the appointment of a custodian, Albert mentioned his concern that “a third party” might suddenly step in at Ford-Werke, a prospect that would not be welcomed by Ford-Werke. Albert indicated that was a real danger because such possibilities had been discussed for German automobile companies. See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 191A, Albert to Schmidt, December 30, 1941 (NARA 0000455 and NARA 0000462; for English translations, see NARA 0000451-0000453 and NARA 0005917-0005918).

<sup>187</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011138; for English translation, see DOJ 0011208). In an August 1945 memo, Schmidt wrote: “I had not the slightest objection when he [Albert] proposed to let him have priority for the custodianship of Ford Cologne. I knew he considered Cologne as his baby grown up under his thorough care. Small surprise that he wanted to retain the leadership. I was not offended by his numerous efforts to obtain the post as custodian and to me it would not have meant any difference then if he had got it. We agreed that I would come in question only if he failed.” See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 3, Memo by Schmidt on relations between Albert and himself, August 13, 1945 (NARA 0000051-0000052).

political objections [politische Bedenken].<sup>188</sup> In a letter to the Nazi party leadership in February 1942, the party's regional economic adviser recommended Schmidt, explaining that in light of the German character of Ford-Werke and his "confidence" in Schmidt, it was unnecessary to name an outside custodian.<sup>189</sup> By March 1942, it was apparent that Albert had been passed over in favor of Schmidt: The Reich Economic Ministry now had strong objections [starke Bedenken] to Albert's appointment. However, he approved of Schmidt, and so did the Plenipotentiary for Automotive Affairs. The head of the Security Police

and the SD did not object.<sup>190</sup> On May 9, 1942, the Reich Commissioner requested that the plant be put into trusteeship and authorized the appointment of Schmidt as custodian.<sup>191</sup> On May 15, 1942, the Superior Court in Cologne declared Ford-Werke to be an "enterprise under authoritative enemy influence" and appointed Schmidt as custodian.<sup>192</sup> He was required to submit reports to the Reich Commissioner every three months and had to seek approval for such decisions as planned profit margins and bookkeeping practices.<sup>193</sup> Nazi government regulations also required that Ford-Werke management obtain permission from the Reich Commissioner before deciding to:

- purchase, dispose of or mortgage any real estate or similar property;
- purchase or dispose of any interest in other enterprises;

<sup>188</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011138; for English translation, see DOJ 0011208. Note: The Allied military translation uses the words "political doubts"). The SD [Sicherheitsdienst] was responsible for the entire security of the Third Reich. It functioned as the intelligence branch of the SS [Schutzstaffel, Elite Guard], the political police of the Nazi regime. The SD and the Security Police, which included the Gestapo [Geheime Staatspolizei, Secret State Police], were closely related and under the same command. See Snyder, *Encyclopedia of the Third Reich*, pp. 317-318 and 329-330. In a postwar memo, Schmidt wrote that Albert ran into considerable difficulty "on account of his political past. The SS was after him especially when they detected that he had helped Czechoslovakian [sic] Jews to save some of their property." See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 2, Memo by Schmidt on Albert, June 22, 1945. Schmidt said in a later oral history interview that Albert's political influence gradually declined as the Nazis' power grew. See HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt No. 2, July 22, 1960 (HFM 0000907). Albert was arrested in September 1944 and held by the Gestapo for six months because the Nazis suspected him of having known about or having participated in an attack on Hitler on July 20, 1944. In a postwar interview, Albert said that when he was arrested regarding the plot, he also was accused of violating the racial decrees against Jews because so many of his friends were Jewish. See NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc. Report of Discussions with Albert, September 18, 1945 (NARA 0007161); HFM, Acc. 880, Box 7, File: Germany, Notes on Interview with Heinrich Albert, July 26, 1960 (HFM 0000880); WNRC, Acc. 299-68A-0243, Box 540, File: 96/4, Memo from Albert, July 16, 1945 (DOJ 0010430); and Snyder, *Encyclopedia of the Third Reich*, pp. 184-186. See Section 2.4. for more on Albert's background.

<sup>189</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Regional Economic Advisor to Lammers, February 7, 1942 (DOJ 0011043-0011044; for English translation, see 0011045-0011046). The letter said that Schmidt "being a party member, enjoys my confidence ... In my opinion, these powers can be conferred on Mr. Schmidt." (After the war, Schmidt was cleared of the allegation that he was a party member. See Section 10.7.) The letter concluded, "In the interest of the German stockholders, as well as to ensure undisturbed further development of this works which may already be regarded as

German, I must emphatically refuse to have an outsider, who might well have his eye on other interests, put in there as custodian." The Nazi party Chancellery forwarded this letter to the Reich Commissioner for the Treatment of Enemy Property and asked if he agreed that "in view of the German character of these Works, the appointment of a special [outside] custodian is superfluous." See same source, NSDAP Chancellery to Reich Commissioner, February 13, 1942 (DOJ 0011047; for English translation, see DOJ 0011048).

<sup>190</sup> BA-L, R 87/6205, Unsigned memo, March 30, 1942 (BAL 1228); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011138-0011139; for English translation, see DOJ 0011208).

<sup>191</sup> BA-L, R 87/6205, Notarized declaration by Schmidt, May 15, 1942 (BAL 6707). In an August 1945 memo, Schmidt wrote that his selection over Albert did not cause a breach between the two: "When I was appointed, and as he told me, he was really offended and angry, not because I had got the job but he felt denounced by the government. As it turned out ... he overcame his bother and things went quite smoothly. Concluding I might be permitted to say that our cooperation was extremely [sic] good and I am sure he would state the same." See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 3, Memo by Schmidt on relations between Albert and himself, August 13, 1945 (NARA 0000051).

<sup>192</sup> Ford-Werke Records, Resolution of the Superior Court - Cologne, May 15, 1942 (FW 0008375); for English translation, see FMC, AR 75-63-430, Box 207, File: Germany AG Minutes of Meetings 1929-1952 (FMC 0003361); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011139; for English translation, see DOJ 0011208).

<sup>193</sup> BA-L, R 87/6205, Notarized declaration by Schmidt, May 15, 1942 (BAL 6707).

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- begin or end any product lines or types of business;
- establish or dissolve branches;
- build or extensively remodel any facilities;
- change the company statutes; or
- sell, liquidate or close any part of the enterprise.<sup>194</sup>

Schmidt was forbidden to have any contact with “enemy stockholders or their intermediaries” without the express permission of the Reich Commissioner.<sup>195</sup>

Also on May 15, 1942, the Ford-Werke Board of

Directors was relieved of its duties and replaced by a board of advisors whose duty it was to assist the custodian in the administration of the company.<sup>196</sup> In brief messages to Schmidt and Albert, the Reich Commissioner for the Treatment of Enemy Property indicated that his choice for chairman of this new body was Albert.<sup>197</sup> Albert accepted and recommended that the three other Germans who had been members of the board of directors – Carl Krauch, Hans Hünemeyer and Wilhelm Bötckes – be appointed to the new board of advisors.<sup>198</sup>

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<sup>194</sup> Ford-Werke Records, Resolution of the Superior Court - Cologne, May 15, 1942 (FW 0008375); for English translation, see FMC, AR 75-63-430, Box 207, File: Germany AG Minutes of Meetings 1929-1952 (FMC 0003361); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011139; for English translation, see DOJ 0011209). See also NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 196, Memo by Schmidt on custodianship, June 25, 1945 (NARA 0000464).

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<sup>195</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Letter to Schmidt, May 23, 1942 (DOJ 0011040; for English translation, see DOJ 0011042).

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<sup>196</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001017).

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<sup>197</sup> BA-L, R 87/6205, Memos to Schmidt and Albert from Reich Commissioner, May 9, 1942 (BAL 1246); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011139; for English translation, see DOJ 0011208).

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<sup>198</sup> BA-L, R 87/6205, Letter from Albert to Reich Commissioner, May 14, 1942 (BAL 1247-1248).

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## Section 6

# MILITARY PRODUCTION AT FORD-WERKE

### 6.1. Production Overview

At the outbreak of the war, Ford-Werke was one of the four largest automobile firms in Germany and manufactured a variety of cars, vans, trucks, tractors and other vehicles. It ranked fourth in passenger car sales and second in commercial vehicle sales, and was the second largest producer of trucks in Germany behind the General Motors subsidiary Opel.<sup>199</sup> In addition to a limited number of passenger cars, Ford-Werke produced two different military vehicles during the war: a standard three-ton truck (which came in several models) and the Maultier half-track personnel carrier. Ford-Werke also manufactured spare parts for

use by German military forces and provided repair and overhaul services. From September 1939 until the beginning of March 1945, when Cologne was occupied by Allied troops, Ford-Werke produced between 87,000 and 92,000 vehicles, including trucks and passenger cars.<sup>200</sup> Ford-Werke's output represented about one-third of Germany's military truck production during the war.<sup>201</sup> Other major truck manufacturers included Opel, which produced about 92,000 three-ton trucks between 1940 and 1944, as well as Daimler-Benz, Klöckner and Borgward.<sup>202</sup>

Most of Ford-Werke's military production was sent to the German army, although the plant also supplied vehicles to SS [Schutzstaffel, Elite Guard] units and to the Romanian and Hungarian governments.<sup>203</sup> The following table summarizes the range of Ford-Werke

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<sup>199</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001562), Schneider Report, p. 22, September 5, 1945 (NARA 0000024).

<sup>200</sup> Estimates on the total number of vehicles produced at Ford-Werke during the war vary. The most authoritative sources indicate that wartime vehicle production levels were between 87,000 and 92,000; see FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917-0000918); and FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

<sup>201</sup> According to postwar investigations conducted by the U.S. Strategic Bombing Survey, total production of three-ton trucks and half-track trucks by all manufacturers in Germany during the war amounted to just over 250,000 vehicles. See U.S. Strategic Bombing Survey, Munitions Division, *German Motor Vehicles Industry Report*, British Intelligence Objectives Subcommittee (hereafter B.I.O.S.) Misc. Report No. 69, Exhibits C and D (FMC 0006013-0006015).

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<sup>202</sup> NARA, RG 260, Entry 108, Box 183, File: Adam Opel, German Economic Report on Adam Opel, August 1945; NARA, RG 243, Entry 6, Box 684, File: 77a2, Automobile Manufacturers Planned and Actual Production, 1943 and 1944 (NARA 00003658-0003659).

<sup>203</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001995). Regarding Hungarian and Romanian sales, see BAL, R 3101/3561, Memo to Reich Economic Ministry, September 27, 1939 (BAL 0005); regarding sales to the SS, see R 13 IV Wirtschaftsgruppe Fahrzeugindustrie/21, Memo to Automotive Industry Economic Group, October 9, 1941 (BAL 2989). Originally established as Hitler's personal guard, the SS expanded to become a major branch of the German military during the war; see Snyder, *Encyclopedia of the Third Reich*, p. 329.

production figures from September 1939 through early March 1945, and provides estimated totals.

### Ford-Werke Wartime Production 1939-1945

Year	Number of Vehicles
1939 Sep 1-Dec 31	11,309 est. – 11,788 est.
1940	16,537 – 17,557
1941	14,330 – 16,243
1942	14,762 – 14,992
1943	17,202 – 17,472
1944	12,915 – 13,015
1945 Jan 1-Mar 6	170 – 507 est.
<b>Total</b>	<b>87,225 – 91,574</b>

#### Additional production:

- In 1942, Ford-Werke produced RM 45,000,000 worth of spare parts.
- In 1943, Ford-Werke produced 3,551 G28TG motors. Also in 1943, approximately 40 percent of the plant's output was devoted to spare parts production.

#### Sources:

FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917-0000918) and Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940); Ford-Werke Records, Summary of Ford Germany Production, February 9, 1978 (FW 0003910). Estimated figures are prorated from full-year totals – 33,928 (FMC 0000917) and 35,364 (FMC 0005940 and FW 0003910) for 1939 and 2,846 (FMC 0005940 and FW 0003910) for 1945. See also WNRC, Acc.299-68A-0243, Box 536, File W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011133-0011152; for English translation, see DOJ 0011204-0011217); Ford-Werke Records, Financial Ledger, January 1942– September 1944 (FW 0007011-0007890); and NARA, RG 243, Entry 6, Box 684, File:77a2, Automobile Manufacturers Planned and Actual Production, 1944 (NARA 0003659).

## 6.2. Start of Truck Production, 1939

Early in 1939, the German army asked Ford-Werke to prepare plans to produce 2,500 trucks per month in case of war.<sup>204</sup> In September 1939, with the outbreak of World War II, there was a gradual conversion from

production of passenger cars to military trucks.<sup>205</sup> Consequently, there was an initial slowdown in plant operations, and Ford-Werke released more than 600 personnel for use by other industrial facilities in the Cologne area.<sup>206</sup> In October 1939, however, Ford-Werke received a large order for several hundred trucks from the German government. And in December, the company received an order for 1,000 trucks from the Romanian War Ministry.<sup>207</sup> In total, Ford-Werke produced approximately 34,000 to 35,400 vehicles during 1939, including both passenger cars and trucks.<sup>208</sup>

## 6.3. 1940 Production

As had been the case since the late 1930s, every automobile manufacturer in Germany was told what models to produce in 1940.<sup>209</sup> In February 1940, the Plenipotentiary for Automotive Affairs, acting on behalf of the army, announced plans to requisition 4,100 vehicles slated for export, including 1,830 produced by Ford-Werke, although the government authorities promised that the companies would be reallocated raw

<sup>204</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000477). In an earlier letter to Sorensen, Albert wrote, "In this country it would not do to counter-act governmental requests. They are less requests than orders." See HFM, Acc. 38, File: Germany - Cologne - List E, Albert to Sorensen, August 5, 1935.

<sup>205</sup> FMC, AR-75-63-430, Box 90, File: Ford-Werke Annual Reports 1938-1939, Business Report for 1939 (FMC 0017062); see also FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

<sup>206</sup> BA-F, RW 21/1, War Diary, September 25-October 7, 1939 (BAF 0767-0789).

<sup>207</sup> BA-L, R 3101/3446, Monthly report on export situation, October 1939, November 22, 1939 (BAL 0419); BA-L, R 3101/3446, Monthly report on export situation December 1939, January 19, 1940 (BAL 0423-0424).

<sup>208</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917); FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

<sup>209</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Schmidt to Sorensen, April 4, 1940 (FMC 0003155-0003157) and Albert to Sorensen, February 2, 1939 (FMC 0003177-0003178); HFM, Acc. 38, Box 40, File: Germany Jul-Dec 1938, Albert to Sorensen, December 15, 1938 (HFM 0000294).

materials needed to make up this output.<sup>210</sup> Although the Ford-Werke facility continued to manufacture some passenger cars during the year to use up available parts, the production of new cars was prohibited by the Nazi regime, and the plant increasingly switched over to military truck production.<sup>211</sup> The change to production of larger military vehicles decreased the number of vehicles the plant could sell.<sup>212</sup> The company's initial production goal was set at 1,300 trucks per month, although in September the plant was only operating at approximately 50 percent capacity.<sup>213</sup> The company exported some cars to Hungary, although rubber shortages forced delivery of the vehicles without tires. In May 1940, the company applied for additional steel allocations to build 400 trucks for the Hungarian army.<sup>214</sup> Ford-Werke also supplied trucks to the Romanian armed forces.<sup>215</sup> According to postwar reports, total production for the year amounted to approximately 16,500 to 17,500 vehicles, including approximately 4,750 to 4,850 passenger cars.<sup>216</sup>

The Cologne plant produced parts for other types of machinery and transport. In early 1940, the company

began work on a contract with the Junkers aircraft firm in Magdeburg to produce gears to be used in the transmission systems of machine tools.<sup>217</sup> Also in 1940, Ford-Werke entered into a contract with the German air force to manufacture motors for barges. Ford-Werke brought the matter of the contract before the local Economic Group, and material and labor were assigned. According to a postwar interview with Robert Schmidt, Hermann Göring planned to use the barge motors for the invasion of England, an initiative for which Göring had assumed responsibility. A September 1940 U.S. military intelligence report indicated that Ford-Werke was employed full time in the production of "motors with long driving shafts [sic] for use on barges." Over the next few years, Ford-Werke delivered approximately 1,000 such motors.<sup>218</sup> (See Section 7.2.)

#### 6.4. 1941 Production

On January 1, 1941, a Ford-Werke advertisement was published in the *Frankfurter Zeitung* [Frankfurt Newspaper] proclaiming that German Ford vehicles were present during German army campaigns in Poland, Norway, Holland, Belgium and France.<sup>219</sup> In February 1941, Ford-Werke manufactured its last Taunus passenger car, and all remaining production at the plant for the duration of the war was limited to military vehicles.<sup>220</sup> Ford-Werke continued to manufacture three-ton trucks in 1941, although production was hindered as increasing numbers of company personnel were drafted into the German

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<sup>210</sup> BA-L, R 3101/3556, Plenipotentiary for Automotive Affairs to WiGruFa and Reich Economic Ministry, February 17, 1940 (BAL 0121); BA-L, R 3101/3556 Unsigned memo, February 12, 1940 (BAL 0122-0123 ). In March 1940, 400 Ford vehicles originally slated for export were conscripted by the plenipotentiary on behalf of the army.

<sup>211</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935).

<sup>212</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011149; for English translation, see DOJ 0011215).

<sup>213</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917); NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001565).

<sup>214</sup> BA-L, R 3101/3561, Memo to Reich Economic Ministry, September 27, 1939 (BAL 0005); BA-L, R 3101/3556, Ford-Werke to WiGruFa, May 6, 1940 (BAL 0114).

<sup>215</sup> BA-L, R 3101/3554, Reich Economic Ministry to von Schell (BAL 0436).

<sup>216</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917); FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940); Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910).

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<sup>217</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 178, Memo from Grandi, August 27, 1945 (NARA 0000431).

<sup>218</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 172, Memo by Schmidt on L.C. 8 motors, July 20, 1945 (NARA 0000418); NARA, RG 319, Entry 47C, Box 483, File: 350.05, Military Attaché Report No. 59, September 25, 1940 (NARA 0005677).

<sup>219</sup> *Frankfurter Zeitung*, No. 1-2, p. 6, January 1, 1941. The advertisement also said: "German Ford vehicles were the dependable servants of the brave soldier. Also for the peacetime build-up for the Greater Germany, we will be there."

<sup>220</sup> FMC, AR-75-63-301, Box 32, File: Ford-Werke Sales, Production & Assembly 1945-1953, Production for Civil Purposes, 1945 (FMC 0000029). Other documents indicate that 41 cars were actually manufactured in 1942; see Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910).

military.<sup>221</sup> Also, plant operations were halted briefly after a series of British air raids on Cologne in August 1941.<sup>222</sup> According to iron and steel rationing reports prepared by the German government, in May 1941 Ford-Werke entered a new contract with the German military. In October 1941, the company received a contract to produce 600 trucks for the Waffen-SS.<sup>223</sup> Ford-Werke exported trucks to Romania, Hungary and Slovakia.<sup>224</sup> Reports on total production for the year range from 14,330 to 16,243 vehicles.<sup>225</sup> Production of spare parts was a significant part of the business. During 1941 and 1942, Ford-Werke switched from obtaining its supplies from outside producers to obtaining them largely from Ford subsidiaries in Amsterdam, Antwerp and, to a limited extent, Paris.<sup>226</sup>

## 6.5. 1942 Production

Shortly after the Reich Commissioner for the Treatment of Enemy Property assumed custodianship of Ford-Werke in May 1942, Robert Schmidt noted that the firm's industrial activity was "under the influence and control" of the Plenipotentiary for Automotive Affairs and the Speer armaments ministry.<sup>227</sup> And by the

end of the year, Ford-Werke officials reported that the plant was "working wholly for the war economy" in the production of trucks and spare parts.<sup>228</sup> In February 1942, the Plenipotentiary for Automotive Affairs ordered steps to streamline three-ton-truck production in Germany since five different companies, including Ford-Werke, were manufacturing the vehicles. However, at a later meeting of automotive industry leaders, representatives from Ford-Werke, Opel and Daimler-Benz agreed that industry-wide standardization was not possible and that Ford-Werke should continue using its own production methods.<sup>229</sup>

In mid-1942, as a war-induced gasoline shortage worsened, a German decree demanded that Ford-Werke switch its production line to make four-cylinder trucks with generators rather than eight-cylinder vehicles with gasoline engines. However, this order was rescinded in the autumn, and the Cologne plant again began manufacturing the eight-cylinder gasoline-powered models.<sup>230</sup> In the last quarter of 1942, Ford-Werke also began production of Maultier half-track vehicles.<sup>231</sup> According to Ford-Werke internal financial documents,

<sup>221</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935).

<sup>222</sup> BA-L, R 3901/195, Report of bombing impact on labor distribution, Cologne Labor Office, August 15, 1941 (BAL 0622-0645).

<sup>223</sup> BA-L, R 13 IV Wirtschaftsgruppe Fahrzeugindustrie/21, Memo from Army High Command, May 26, 1941 (BAL 2984-2988) and Memo to Automotive Industry Economic Group, October 9, 1941 (BAL 2989). The Waffen-SS [Armed SS] was the military arm and the largest of the main branches of the SS; see Snyder, *Encyclopedia of the Third Reich*, p. 366.

<sup>224</sup> BA-L, R 3101/3449, Monthly report on export situation June 1941, July 19, 1941 (BAL 0488).

<sup>225</sup> Postwar documents report either 14,330 vehicles (see FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 [FMC 0000917]), or 16,243 vehicles (see Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 [FW 0003910]).

<sup>226</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Advisory Board Meeting Minutes, August 17, 1942 (DOJ 0011160-0011161; for English translation, see DOJ 0011167), Report Regarding the Administration of Ford-Werke AG, August 1, 1945, (DOJ 0011149; for English translations, see DOJ 0011179 and DOJ 0011215).

<sup>227</sup> WNRC, Acc. 299-68A-0243, Box 536, File W-17536, Schmidt to Reich Commissioner, July 24, 1942 (DOJ 0011015; for English translation, see DOJ 0011016).

<sup>228</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Ford-Werke to Regierungspraesident Cologne, December 16, 1942 (DOJ 0011023; for English translation, see DOJ 0011234).

<sup>229</sup> Ford-Werke Records, Memo on meeting with Plenipotentiary for Automotive Affairs, February 20, 1942 (FW 0001792-0001795), Report on meeting with representatives of the automobile industry, June 6, 1942 (FW 0001927-0001930).

<sup>230</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011149-0011150; for English translation, see DOJ 0011215-0011216).

<sup>231</sup> Sources provide varying Maultier production figures for 1942. Ford-Werke management, discussing production, reported that the company delivered 755 Maultiers in December 1942; see BA-L, R 3/287a, Ford-Werke to Main Committee for Automobiles, January 5, 1943 (BAL 0441). After the war, Schmidt's recollection was that Ford-Werke had not begun Maultier production until January 1943, when 500 "halftracks" were produced; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 91, Memo by Schmidt on halftracks, July 10, 1945 (NARA 0000266). Minutes of a Ford-Werke Board of Advisors meeting mention the production line for Mules and their limitations in the field. The minutes indicate that the German automotive industry's Special Committee on Maultiers (of which Alfons Streit was chairman) had produced 2,500 of the vehicles by December 31, 1942; see WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011115-0011116; for English translations, see DOJ 0011129 and DOJ 0011220). See also Section 5.3.



average monthly production at the facility was 1,230 vehicles, with total 1942 production amounting to 14,762. Other reports indicated that the company manufactured approximately 16,000 vehicles during 1942.<sup>232</sup> A postwar military government report estimated that Ford-Werke produced about 35 percent of the total German medium-truck output during 1942.<sup>233</sup> In addition, Ford-Werke produced RM 45 million worth of spare parts during the year, representing about one-third of the plant's output.<sup>234</sup>

## 6.6. 1943 Production

Ford-Werke's production of military vehicles peaked in 1943. According to internal financial documents, the plant produced an average of 1,350 trucks and Maultiers per month during the year. In May 1943, Ford-Werke manufactured 1,738 vehicles, its highest monthly total during the war. Reports on total production for the year range between about 16,200 and 17,500 vehicles.<sup>235</sup> In March 1943, Schmidt was delegated by the Speer armaments ministry to "coordinate the production of all Ford vehicles for the whole of Axis Europe."<sup>236</sup> This effort included streamlining vehicle manufacturing operations at Ford subsidiaries in occupied France, Belgium and Holland. Schmidt also established a foundry near Liège in Belgium to make spare parts.<sup>237</sup> The monthly production schedules set by German authorities for all Ford subsidiaries, including Ford-Werke and the plants in the occupied territories, increased steadily during the year and in December reached a high point of 2,950 three-ton trucks and 1,000 Maultiers. However, actual monthly production levels from the combined

Ford facilities in Europe generally were between 30 percent and 50 percent lower than the schedules set by the German authorities, with the total for the year falling 32 percent below the targets.<sup>238</sup> Although Ford-Werke met its production goals during the first quarter of 1943, by the middle of the year, the advisory board reported "mounting difficulties" in obtaining materials from suppliers and in the use of labor at Ford-Werke. Another factor was the production switch to include Maultiers. But the chief reasons for the production problem were the "effects of enemy action," which had been on the increase, significantly impacting the capacity of subcontractors and undermining worker morale.<sup>239</sup>

In addition to vehicles, Ford-Werke carried out other military production and repair operations during 1943. The Cologne plant manufactured 3,551 motors between January and September 1943.<sup>240</sup> According to minutes from the January 1943 meeting of the Ford-Werke Board of Advisors, the company oversaw operations at a repair facility in Athens.<sup>241</sup> And in July 1943, Schmidt reported that because of the German army's continuing repair problems with Ford-Werke engines, the company would "organize the repair" itself and, if necessary, replace the damaged engines

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<sup>232</sup> See Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890). Another postwar report indicates Ford-Werke's 1942 production was 14,992 vehicles; see Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910). The figure of 16,000 vehicles is reported in WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011150; for English translation, see DOJ 0011216).

<sup>233</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001566).

<sup>234</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011150; for English translation, see DOJ 0011216).

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<sup>235</sup> Internal Ford-Werke records report 16,236 vehicles; see Financial Ledger, January 1942-September 1944 (FW 0007011-0007890). Postwar reports range from 17,202 vehicles in FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918) to 17,472 vehicles in FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

<sup>236</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001562).

<sup>237</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918-0000919).

<sup>238</sup> NARA, RG 243, Entry 6, Box 684, File: 77a2, Automobile Manufacturers Planned and Actual Production, 1943 (NARA 0003658).

<sup>239</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011103; for English translation, see DOJ 0011230). The board minutes indicate that one-third of Ford-Werke production was changed over to Maultier vehicles.

<sup>240</sup> Ford-Werke Records, Memo on G28TG motors, October 29, 1943 (FW 0001424).

<sup>241</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011114; for English translation, see DOJ 0011219).

with new ones. Schmidt also noted that production of spare parts had increased to the point that spare parts constituted about 40 percent of the Cologne plant's sales.<sup>242</sup>

## 6.7. 1944 and Early 1945 Production

Ford-Werke's production levels dropped in 1944, falling to less than 1,000 vehicles per month, and total production for the year amounted to approximately 13,000 trucks.<sup>243</sup> In July 1944, German authorities ordered changes in the production schedules for Ford-Werke and other Ford subsidiaries in the occupied territories, phasing out the manufacture of the Maultier in favor of additional "S" type three-ton trucks.<sup>244</sup> By October 1944, the Maultier program had been eliminated and production diverted into truck production.<sup>245</sup> (See Section 6.10. for information about a repair shop and reassembly program in eastern Germany in 1944.)

Overall production at the plant was severely hampered during the last months of 1944, primarily due to air raids on Cologne and increased difficulty of obtaining adequate supplies.<sup>246</sup> In August 1944, the plant was slightly damaged during a British air raid, and soon afterwards, Ford-Werke began dispersing parts of its manufacturing assemblies to a number of outlying areas away from Cologne, including Müllrose, where the repair shop was located.<sup>247</sup> Additional attacks on Cologne in the autumn of 1944 caused power outages that interrupted plant operations.<sup>248</sup> Ford-Werke was directly targeted on October 15 and 18, 1944.<sup>249</sup> As a result, production at the facility came almost to a standstill, and only a few hundred vehicles were made during the last three months of the year.<sup>250</sup> Production during the first months of 1945 remained limited. Ford-Werke reported difficulty in delivering vehicles because of continued air raids.<sup>251</sup> From January until U.S. forces occupied Cologne in early March, the Cologne facility manufactured 403 vehicles.<sup>252</sup>

## 6.8. Relocation of Plant Equipment, 1944-1945

In the fall of 1944, Ford-Werke began relocating some of its production facilities and storage sites to the Agger River Valley towns on the east side of the Rhine.<sup>253</sup> In September 1944, Ford-Werke received governmental directions to begin dispersing its machine tools and parts manufacturing processes to Bergisch-Gladbach,

<sup>242</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011103; for English translation, see DOJ 0011230). In a postwar report, Schmidt indicated that in 1944 one Ford-Werke engineer had been sent to provide help at a military truck repair facility being erected near Dneprpetrowski in Russia; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 181, Memo by Schmidt on Müllrose, June 22, 1945 (NARA 0000435).

<sup>243</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918); NARA, RG 243, Entry 6, Box 684, File: 77a2, Automobile Manufacturers Planned and Actual Production, 1944 (NARA 0003659). Both list the 1944 production figure as 12,915 vehicles. Other sources list the figure as 13,015; see Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910); and FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

<sup>244</sup> BA-L, R 3/3181, Memo from Main Committee for Automobiles, July 27, 1944 (BAL 2512).

<sup>245</sup> BA-L, R 3/516, Memo, October 2, 1944 (BAL 2588).

<sup>246</sup> NARA 0003634 Factory Brief - Cologne Area, October 5, 1944; NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001572); FMC, File: Briefing Binder Part F, Interview with WI., July 27, 1987 (FMC 0004309 and 0004337).

<sup>247</sup> Ford-Werke Records, Vitger to Albert, August 19, 1944 (FW 0002370); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000483); FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002129).

<sup>248</sup> NARA, RG 243, Entry 36, Box 178, File 423, Preliminary Report on Ford-Werke AG, March 22, 1945 (NARA 0006932).

<sup>249</sup> NARA, RG 243, Entry 6, Box 687, File: Ford-Cologne, Report on Air Raid History, no date (NARA 0003249).

<sup>250</sup> Ford-Werke internal financial documents report 296 vehicles made between October and December 1944; see Ford-Werke Records, Financial Ledger, December 1944-December 1946 (FW 0007924-0008282). German government reports indicate 540 vehicles were made during this period; see NARA, RG 243, Entry 6, Box 684, File: 77a2, Automobile Manufacturers Planned and Actual Production, 1944 (NARA 0003659).

<sup>251</sup> BA-L, R 3/290E, Telegram, February 20, 1945 (BAL 2147).

<sup>252</sup> Ford-Werke Records, Affidavit of Guckel, January 30, 1967 (FW 0005956).

<sup>253</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000483).

Osberghausen and Friedrichsthal.<sup>254</sup> The dispersal was made official by the German Army High Command in late December 1944, followed in January 1945 by the move of stocks of material and finished parts to Kloster and Duemmlinghausen.<sup>255</sup> These facilities were intended to “feed the military reconditioning and assembly plant already in operation at Müllrose.”<sup>256</sup> (See Section 6.10.) The main Ford-Werke engineering and drawing offices were relocated to nearby Derschlag in February 1945.<sup>257</sup> According to Erhard Vitger, the entire cost of the dispersal (including the rental of relocation sites) was covered in advance by a RM 8,000,000 pre-payment by the German government early in 1945.<sup>258</sup> (See Section 11.3. for more information on use of dispersal funds.) Local Nazi party leaders suspected that Schmidt deliberately slowed the process of relocation by keeping key personnel in Cologne until the Americans could arrive to take the city.<sup>259</sup>

In early 1945, the Allied advance cut off communications with Cologne, and the Ford-Werke Board of Advisors heard rumors that Schmidt had been killed or captured. It requested that Ford-Werke executive Alfons von Gusmann be appointed as custodian for the Ford-Werke assembly equipment that had been dispersed across the Rhine. The Reich

Commissioner for the Treatment of Enemy Property agreed, although it is not clear whether this ever formally took place. In March 1945, however, the Gestapo appointed Karl Buse, one of Ford-Werke’s executives, as “property administrator” of the dispersed facilities. With the liberation of Cologne, Ford-Werke fell under the control of Allied military authorities.<sup>260</sup>

## 6.9. Arendt Plant

In late 1939, German authorities approached Schmidt and requested that he establish a new firm to manufacture war matériel. According to postwar reports, Schmidt and Albert entered an agreement with a local Ford-Werke supplier, Walter Arendt, to form a new company, Walter Arendt GmbH, without the knowledge or approval of Ford Motor Company. According to some sources, Arendt provided 24 percent of the initial capital, with the remainder supplied by bank loans secured with the cooperation of Schmidt acting in Ford-Werke’s name. In other sources, Schmidt is identified as owning the remaining 76 percent of the new company himself, although he claimed to have received a promise from Albert that Ford-Werke would reimburse him for any losses.<sup>261</sup> No definitive information regarding the company’s balance sheets could be located. However, in a postwar statement to

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<sup>254</sup> FMC, AR-98-213546, Box 2, File:History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002129). See also, PRO, FO 837/21, Ministry of Economic Warfare [hereafter MEW] Intelligence Weekly Report No. 156, February 1, 1945 (PRO 0000148). This MEW weekly report contains a second reference to a camouflaged plant to the southwest of Cologne, allegedly affiliated with Ford-Werke, producing 36 trucks daily. This is the only report of such a plant, and is not confirmed by any other documents.

<sup>255</sup> FMC, AR-98-213546, Box 2, File:History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002129). See also NARA, RG 169, Entry 500B, Box 396, File: 180455, F.I.A.T. Report on German Automobile Industry, November 7, 1945 (NARA 0007047).

<sup>256</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001565).

<sup>257</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, Combined Intelligence Objectives Subcommittee [hereafter C.I.O.S.] Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945, document date March 23, 1945, (NARA 0005653).

<sup>258</sup> FMC, AR-65-71, Box 25, File: International 1947 No. 1, Vitger to Roberge, June 26, 1947 (FMC 0000103); HP, Acc. 61-000417, Box 1, German War Recovery Study, 1950 (HP 0000246).

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<sup>259</sup> HStAD, NW 1049/76620, Memo from Pieck, March 12, 1945 (HSAD 0835). In a postwar memo, Schmidt talked of dragging out the evacuation (in the expectation that the Allies would arrive faster than they did) to the point that the authorities’ threats to hurry up became constant; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 11, Memo by Schmidt, June 22, 1945 (NARA 0000066). In a letter in Schmidt’s postwar denazification file, Max Ueber, Ford-Werke’s head of exports, wrote that Schmidt would sit at the west window muttering to himself, “Why are the Americans so slow in arriving. I cannot go any slower with evacuation, or someone may still hang me.” See HSAD, NW 1049/76620, Ueber to Schmidt, November 15, 1945 (HSAD 0860-0861).

<sup>260</sup> WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Report Regarding the Administration of Ford-Werke AG, August 1, 1945 (DOJ 0011141-0011142; for English translation, see DOJ 0011210-0011211), Albert to Reich Commissioner, April 3, 1945 (DOJ 0011094). In his letter, Albert reports that he heard Schmidt had died. The report of Schmidt’s death turned out to be erroneous.

<sup>261</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935); HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt, July 18, 1960 (HFM 0000902-0000903); FMC, AR-98-213541, Box 52, File: Audit

investigators, Albert said that Schmidt and Arendt shared all profits from the undertaking.<sup>262</sup>

In a postwar memorandum, Schmidt described the venture as a secret compromise with the military that would allow Ford-Werke to continue manufacturing trucks. The condition was that Ford-Werke would find a supplier to manufacture whatever the military wanted. After the outbreak of war on September 1, 1939, Schmidt said there was growing pressure on Ford-Werke to reduce or abandon truck production in favor of “ammunition and whatever enjoyed higher priority” than trucks: “Everybody concerned at Ford’s [Ford-Werke] thought that this arrangement was the best to be obtained ... [B]y a comparatively small concession ... Ford could stay out of being turned into a plant for real armament.” According to Schmidt, one of the factors that prompted the arrangement with Arendt was the forced conversion of a substantial amount of Opel’s capacity to armaments manufacturing.<sup>263</sup>

Walter Arendt GmbH set up operations in a separate

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Report - July 28, 1949, Confidential Supplement to Cooper with Report to Ford-Werke Board of Directors from Hibberson and Platt, July 28, 1949, and August 1949, hereafter Hibberson-Platt Report (FMC 0000830); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 163, Memo by Schmidt on Arendt, June 15, 1945 (NARA 0000406).

<sup>262</sup> NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc., Report on Discussion with Albert, September 18, 1945 (NARA0007154). Ford engineer Valentine Tallberg had spent several years at Ford-Werke and returned for four months in 1940. In a 1956 interview, he recalled that during that visit, he noticed a new building on the grounds that was surrounded by a tall fence. He asked the director of purchasing for an explanation but was given no information. Tallberg ran into a former Ford-Werke employee who worked at the new building and, over coffee, learned that some Ford-Werke milling machinery was being used there. He again approached the purchasing director who relented and told him that the building and its operations were to remain a secret, but that Schmidt and Albert were using Ford-Werke equipment in their own business of machining parts for airplanes. “I’m sure that if Mr. Ford found out that one of his managers had put up a business of his own, making war material for the German Army, he wouldn’t have liked it,” Tallberg said in the 1956 interview. See HFM, Acc. 65, Box 72, File: Tallberg (214) Final 72-1, Reminiscences of V.Y. Tallberg, July 1956 (HFM 0004867-0004868).

<sup>263</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 163, Memo by Schmidt on Arendt, June 15, 1945 (NARA 0000404-0000405). Opel had gone further than Ford-Werke in that it had redesigned its trucks to the German standard, which Ford had not done. But when Opel insisted

facility in Cologne using some machinery and equipment supplied by Ford-Werke. In mid-1940, the plant began producing military equipment. Some sources identify the primary product as a 15mm turbine; others suggest that the plant made parts for flame-throwers. In a 1960 interview, Schmidt suggested that the facility was manufacturing a rocket engine piece. Sources also indicate that by 1943, the Arendt plant was manufacturing truck parts as well. After the war, Arendt was taken over by the military government and at one time was on a list of factories to be dismantled under Allied demilitarization plans.<sup>264</sup>

## 6.10. Repair Facilities

After the German invasion of the Soviet Union in June 1941, the German Army High Command began developing plans for the establishment of specialized repair facilities [Kraftfahrzeugswerkstätten or Kriegswerkstätten, often abbreviated in the plural as K-Werke] in the East.<sup>265</sup> Although these repair shops were quasi-military facilities set up by the army, the K-Werke were operated by German companies under the aegis of the Reich Professional Organization of Mechanics.<sup>266</sup> Typically, the German army contracted with a company

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on sticking to its product line, some of its management was forced out and the plant was immediately converted to armaments production. According to another postwar memo by Schmidt, Albert had considerable influence with the older military authorities because of his status as a former state secretary: “In my estimation it was thanks to him [Albert], that we had’nt [sic] to go into armament in 1939 and concluded what is now known as the Arendt deal.” See Schneider Report, Exhibit 2, Memo by Schmidt on Albert, June 22, 1945 (NARA 0000049).

<sup>264</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000935); FMC, AR-98-213541, Box 52, File: Audit Report - July 28, 1949, Hibberson-Platt Report, July 28, 1949, and August 1949 (FMC 0000830); HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt, July 18, 1960 (HFM 0000902-000903); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 163, Memo by Schmidt on Arendt, June 15, 1945 (NARA 0000406).

<sup>265</sup> BA-L, R 97II/53 Reich Professional Organization of Mechanics to Reich Economic Ministry, June 5, 1941 (BAL 9797-9802). After the fall of France, such repair shops had been established in Western Europe, and the army asked several of the French repair shops to move their operations and skilled employees to Eastern Europe.

<sup>266</sup> For a set of K-Werke regulations applicable in France and Belgium; see BA-L, R 97II/70, Report on transfer of automobile repair shops to the occupied Western territories, July 1940 (BAL 9938-9943).

for the establishment of an Eastern repair facility. The Army paid for the transfer of the facilities to the place of operation and back, while the firm provided the machinery. The personnel at the K-Werke included Germans, Western civilian workers, Poles, civilians from the occupied areas of the Soviet Union, Soviet POWs and “sometimes Jews.”<sup>267</sup>

In November 1941, Ford-Werke indicated an interest in operating repair shops in Riga, Warsaw and Lemberg. At Lemberg, Ford-Werke proposed that it assume direct control over a facility run by a Mr. Eberl, who had served as a Ford-Werke dealer in Salzburg. Ford-Werke intended to utilize the facility as a garage for the “fabrication of exchange engines.”<sup>268</sup> Before any arrangements could be made, however, the facility was assigned to another company after Eberl was removed by the army in late 1941.<sup>269</sup> In a letter to the Reich

Commissioner for the Treatment of Enemy Property in July 1942, Schmidt mentioned discussions “of fundamental importance” taking place between the Reich Minister for Armaments and War Production and Ford-Werke regarding Eastern repair shops.<sup>270</sup> In a December 1942 war damages claim filed with the city of Cologne, Ford-Werke cited its efforts on behalf of the German military, including the construction of repair facilities and production facilities for replacement engines.<sup>271</sup>

Several independent Ford-Werke dealers established their own repair shops on the Eastern Front during the war at sites in Latvia, Estonia and the Soviet Union.<sup>272</sup> These facilities employed a variety of workers, including Germans, Poles,<sup>273</sup> Soviet POWs, Estonians, and, in at least one repair shop, Jewish laborers.<sup>274</sup>

Ford-Werke assisted in repair and reconditioning efforts for the German army on the Eastern Front and in Germany. In 1943, a review of the vehicle situation at the Eastern Front had revealed that Ford trucks did not fare well under wartime circumstances. Ford-Werke disputed these findings, stressing that the alleged unreliability of Ford-Werke trucks at the Eastern Front was primarily due to the unprofessional repair of the vehicles by soldiers. As a response, Ford-Werke, in agreement with the military, created “East-Training-Actions” [Ostschulungsaktion]. Ford-Werke sent trained mechanics and skilled workers to all front lines in order to train the soldiers to properly repair Ford

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<sup>267</sup> BA-L, R 97II/6, Blank contract, no date (BAL 11172-11183); BA-L, R 97II/53, Note on discussion at the Quartermaster General, February 21, 1944 (BAL 9820-9826).

<sup>268</sup> BA-L, R 97II/95, Ford-Werke to Army High Command, November 25, 1941 (BAL 9794).

<sup>269</sup> BA-L, R 97II/95, Reich Professional Organization of Mechanics to Army High Command, December 1, 1941 (BAL 9795-9796). For complaints against Eberl, see BA-L, R 97II/95, Letter to Reich Professional Organization of Mechanics, May 28, 1941 (BAL 9770-9771) and Eberl to Reich Professional Organization of Mechanics, November 1, 1941 (BAL 9772).

<sup>270</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Schmidt to Reich Commissioner, July 24, 1942 (DOJ 0011015; for English translation, see DOJ 0011016).

<sup>271</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Ford-Werke to Regierungspräsident - Cologne, December 16, 1942 (DOJ 0011024; for English translations, see DOJ 0011028 and DOJ 0011236).

<sup>272</sup> See, for example, BA-L, R 97II/34, Schneider to the Reich Professional Organization of Mechanics, July 28, 1943 (BAL 11082); BA-L, R 97II/34, Heinsen to the Reich Professional Organization of Mechanics, May 4, 1943 (BAL 11089); BA-L, R 97II/43b, Reich Professional Organization of Mechanics to Maletz, May 5, 1942 (BAL 11356); BA-L, R 97II/121, Jörgens to Reich Professional Organization of Mechanics, June 25, 1942 (BAL 9827); and BA-L, R 97II/42 Daily Order from Major Gum, March 9, 1943 (BAL 11406). With the Soviet Army advancing in 1944, most of the Ford dealer-operated K-Werke were evacuated westward. For more information, see BA-L, R 97II/42, Witte to Reich Professional Organization of Mechanics, March 21, 1944 (BAL 11400); BA-L, R 97II/43a, Junge to Reich Professional Organization of Mechanics, March 21, 1944 (BAL 12335-12336); and BA-L, R 97II/120, Schneider to Reich Professional Organization of Mechanics, September 9, 1944 (BAL 9684-9685).

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<sup>273</sup> Ford-Werke Records, Letters from T.F. to Ford-Werke, October 1988 and April 1989 (FW 0005960-0005967). In these postwar letters, T.F., a Polish citizen, described his experiences working for such a facility, operated by Ford-Werke dealer Maletz, in Charkow.

<sup>274</sup> BA-L, R 97II/95, Note to files, October 7, 1941 (BAL 9774-9777); BA-L, R 97II/43b, Maletz to Reich Professional Organization of Mechanics, July 27, 1942 (BAL 11348-11349); BA-L, R 97II/42, Witte to Reich Professional Organization of Mechanics, March 17, 1943 (BAL 11373); BA-L, R 97II/121, Jörgens to Reich Professional Organization of Mechanics, June 25, 1942 (BAL 9827). BA-L, R 97II/120, Reich Professional Organization of Mechanics to Military High Command, September 4, 1944, (BAL 9691-9692) reports that 180 Jews were working in Ford-Werke dealer Heinrich Schneider’s Riga facility. Beginning in the fall of 1941, German Jews had been deported to the Riga ghetto in large numbers, thus creating a huge German-speaking pool of workers for German industrial organizations.

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vehicles.<sup>275</sup> Ford-Werke ledgers indicated that mechanics, engineers and skilled workers worked in the East, in the Balkans and in Italy.<sup>276</sup> The “Transport-Gruppe Nagel” (a government institution to handle transports) made plans for a large Ford repair shop in Ukraine. After those plans were thwarted by the Russian advance, Ford-Werke established a truck repair facility within the Reich itself, at Müllrose in Eastern Germany.<sup>277</sup> According to a postwar affidavit from Schmidt, the company sent seven employees to set up the project, which called for the creation of an assembly line operation to dismantle, recondition and reassemble damaged trucks.<sup>278</sup> In a meeting of the Special

Committee - Vehicle Repair on September 12, 1944, with Ford-Werke’s Alfons von Gusmann in attendance, the Müllrose facility was praised as an example of an excellent and efficient reconditioning shop.<sup>279</sup> Beginning in January 1945, Ford-Werke provided consultants for the repair and reuse of Ford parts in support of the German army under the “Reconditioning Plan of the Ford-Werke.” Under the plan, two of the facilities devoted to the reconditioning of aggregates and parts were the Klosdorf and Freudenberg facilities of the Ford-Werke dealer Eduard Maletz.<sup>280</sup>

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<sup>275</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011118-0011119; for English translation, see DOJ 0011221).

<sup>276</sup> Ford-Werke Records, Financial Ledger, January 1942-September 1944, Balance Sheet, May 31, 1944 (FW 0007113). The ledger also contains invoices from Ford-Werke to the Army High Command for the Ost Aktion; see Balance Sheet, December 31, 1944 (FW 0008277).

<sup>277</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 181, Memo by Schmidt on Müllrose, June 22, 1945 (NARA 0000435); PRO, FO 837/21, M.E.W. Intelligence Weekly Report No. 156, February 1, 1945. There is some indication that Ford-Werke personnel may have been involved in operations at the site in late 1943; see Ford-Werke Records, Personnel File for J.H. (FW 0023159-0023195).

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<sup>278</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 181, Memo by Schmidt on Müllrose, June 22, 1945 (NARA 0000435); BA-L, R 3/290a, Note to files re: Meeting Minutes of September 12, 1944 (BAL 2616).

<sup>279</sup> BA-L, R 3/290a, Note to files re: Meeting Minutes of September 12, 1944 (BAL 2615-2621).

<sup>280</sup> BA-L, R 97II/43b, Work Committee for Reconditioning to K-Werk Maletz, et al., January 20, 1945 (BAL 11308). When Maletz moved his facility to Brieg, he requested to take 14 auxiliaries with him who had been with the company since Charkow, but the request was denied; see BA-L, R 97II/43b, Maletz to OT Main Technical Office, August 18, 1944 (BAL 11314).

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## Section 7

# FOREIGN AND FORCED LABOR AT FORD-WERKE

### 7.1. Overview of Foreign and Forced Labor in Germany

Between 1939 and 1945, millions of non-Germans were registered to work (usually forcibly) in factories, farms, mines and construction sites throughout the German Reich. Almost every industrial company operating in Germany during World War II used foreign and forced workers. Their overall treatment was determined by Nazi ideology and practice that placed workers on a scale according to race, nationality and gender.<sup>281</sup> These workers were drawn from several different sources. One such group included workers recruited from German allies. These workers generally were treated better and paid better than other foreign workers. In the wake of Germany's initial military victories, many enemy prisoners of war (POWs) were put to work for only token wages. In addition, Germany transported large numbers of civilian forced workers from occupied territory in Western and Eastern

Europe. Western workers generally received better pay and treatment than workers from Eastern Europe. Following Italy's surrender to the Allies in September 1943, German forces occupied northern Italy and forced into labor several hundred thousand captured Italian soldiers, who were often treated as poorly as Eastern workers. Finally, concentration camp inmates were made to work without pay, as slave laborers. Initially, their use by German firms was restricted to industrial sites established by the firms at the concentration camps. However, toward the end of the war, many German companies used concentration camp slave laborers at their own facilities, as well.<sup>282</sup> (See Section 7.7. for more on concentration camp labor.)

In 1939, before the war broke out, there was already a shortage of labor in Germany. On June 23, 1939, civilian and military officials were notified that Hitler planned to draft 7 million men into the military. Hitler was preparing to launch a "total war" against Poland.<sup>283</sup> The large-scale use of foreign workers commenced

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<sup>281</sup> Michael Burleigh and Wolfgang Ippermann, *The Racial State: Germany 1933 – 1945* (Cambridge, England: University Press, 1991), pp. 44-74 and 296.

<sup>282</sup> The exact number of foreign workers sent to Germany is very difficult to determine. According to historian Ulrich Herbert, there were 7.8 million foreign workers registered in Germany at the peak in August 1944. Herbert estimates that, in total, more than 12 million foreign laborers were put to work in the Reich for varying periods. See Ulrich Herbert, *Hitler's Foreign Workers: Enforced Foreign Labor in Germany under the Third Reich*, translated

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by William Templer (Cambridge: Cambridge University Press, 1997), Preface and p. 1. Another historian, Edward Homze, suggests that the total number of workers brought to Germany was well over 8 million; see Edward L. Homze, *Foreign Labor in Nazi Germany* (Princeton: Princeton University Press, 1967), p. vii.

<sup>283</sup> Overy, *War and Economy in the Third Reich*, p. 191; William L. Shirer, *The Rise and Fall of the Third Reich* (New York: Simon and Schuster, 1960), pp. 497-498.

immediately after the conflict began. By the end of September 1939, less than one month after the German invasion of Poland, approximately 100,000 Polish POWs were deployed in Germany, working in agriculture. German authorities began recruiting civilian workers in Poland. In addition to agriculture, a few of these civilian Polish workers were used in construction, industry and mining.<sup>284</sup>

In order to regulate the use of Polish labor more carefully, in February 1940, the Nazi government reclassified all Polish POWs as civilian workers. Between March and September 1940, the government introduced a set of decrees relating to the treatment of all Polish workers in Germany. The decrees governed the transport of Poles into the Reich and their working hours, wages and tax rates, including a special “social compensation tax.” The regulations also governed their social activities and contacts with the German population, as well as the policing of the Polish workers by the Gestapo. Polish workers were required to wear a special identification badge. According to Ulrich Herbert, one of Germany’s leading experts on the use of forced labor in Nazi Germany, these decrees legitimized racially discriminatory policies and legalized the Nazi “master race” theory.<sup>285</sup>

Following the German invasion of the Netherlands, Belgium, Luxembourg and France in May 1940, German authorities also began employing French and Belgian POWs in Germany.<sup>286</sup> In the earliest years of the war, POWs were mostly used as agricultural workers, although many were sent to industrial facilities that were manufacturing military matériel, or sent to mines, or

put to work in construction projects, in some cases in violation of regulations set forth in the 1929 Geneva Convention.<sup>287</sup> The German firms that used POW labor paid 60 to 80 percent of the normal local wages directly to the POW camp [*Stamm-lager*, usually abbreviated as *Stalag*] that supplied the prisoners. Employers were to provide food and housing for the POWs working for them. By the end of 1940, French POWs were the single largest group of foreigners working in Germany.<sup>288</sup>

In the fall of 1941, civilian and military authorities in Germany began easing restrictions placed on Western POWs and improving their living and working conditions, in part to encourage the recruitment of civilian laborers from the occupied Western territories. In 1942, under the direction of the Plenipotentiary for Labor Deployment, German authorities embarked on a massive campaign to attract additional workers from occupied Western Europe, especially France. In May 1942, new regulations called for the improved treatment of Western workers, who were officially granted the same rights as German workers when it came to wages, working conditions, separation compensation, working hours, overtime and taxes. Increasingly, however, foreign workers from the West were not allowed to return home after their work contracts had ended.<sup>289</sup> Likewise, in April 1943, approximately 250,000 French POWs were released from their POW status and reclassified as foreign civilian workers. But despite this change, most had to remain in Germany and continued to work at the same facilities under conditions consistent with Nazi ideology for other French workers.<sup>290</sup>

<sup>284</sup> Herbert, *Hitler's Foreign Workers*, pp. 61-63 and 85-89. According to Herbert, the number of Polish POWs put to work grew rapidly and reached 300,000 by the end of 1939. Another estimate places the number at 300,000 in the autumn, and indicates that by May 1940, more than 1 million Polish POWs were working forcibly in Germany. See Barbara Hillman, Volrad Kluge and Erdwig Kramer, *Lw.2/XI – Mune Lübberstedt Zwangsarbeit für den Krieg*, (Bremen, Germany: Edition Temmen, 1996), p. 70.

<sup>285</sup> Herbert, *Hitler's Foreign Workers*, pp. 70-79. For information on racism as a state policy in Germany, see Burleigh and Wippermann, *The Racial State: Germany 1933-1945*, pp. 44-74.

<sup>286</sup> S.P. MacKenzie, “The Treatment of Prisoners of War in World War II,” *The Journal of Modern History*, Volume 66, Issue 3 (September 1994), pp. 497-498; Herbert, *Hitler's Foreign Workers*, pp. 95-96.

<sup>287</sup> Homze, *Foreign Labor in Nazi Germany*, p. 48; Klaus P. Fischer, *Nazi Germany: A New History* (New York: Continuum Publishing Company, 1995), pp. 487-488. According to Homze, the German army closely followed the Geneva Convention proscriptions against using POWs in war industries until the latter part of 1941; in 1942, British intelligence reported that POWs were known to be used in armaments manufacturing and transportation, contrary to the terms of the treaty. See also NARA, RG 319, Entry 47C, Box 463, File 004 Labor, Military Attache Report, August 18, 1942 (NARA 0007141).

<sup>288</sup> Herbert, *Hitler's Foreign Workers*, pp. 96-97; MacKenzie, “The Treatment of Prisoners of War in World War II,” p. 497.

<sup>289</sup> Herbert, *Hitler's Foreign Workers*, pp. 194-195.

<sup>290</sup> Barbara Hillman, et al. *Lw.2/XI – Mune Lübberstedt Zwangsarbeit für den Krieg*, p. 59; Herbert, *Hitler's Foreign Workers*, pp. 273-274, 292-293 and 314-315; *Reichsarbeitsblatt*, No. 22 (August 5, 1943), p. I 404 (BAL 12936).



The invasion of the Soviet Union in June 1941 did not lead to another quick victory, contrary to Hitler's expectations, and it soon became apparent that German soldiers would not be able to return to their workplaces anytime soon. The vast number of Soviet POWs did not present a remedy for the German economy's pressing labor shortage, as most had been deliberately allowed to starve to death within a few months of their capture by the German army.<sup>291</sup> German officials now turned to the newly occupied territories in Eastern Europe for replacement labor. In October 1941, Hitler ordered the extensive utilization of Russian civilian workers in order to remedy serious labor shortages in agriculture, metals, construction and mining. Initially, German authorities envisioned that Russian workers would be used in large groups under the strictest surveillance and without any contact with the German populace, while Western foreigners would be transferred to more skilled industrial positions. As this restricted use of Russian workers ran counter to the needs of the war economy, it was eventually modified, and Russians began to be deployed in war-related industries, too.<sup>292</sup>

Extensive recruitment in the occupied territories of the Soviet Union began in early 1942, under the supervision of Fritz Sauckel, the German Plenipotentiary for Labor Deployment. While Russians, Ukrainians and Belorussians were first recruited voluntarily, German troops in the occupied territories soon began to use more coercive methods, as civilians were rounded up and transported west to facilities in Germany. Once they had arrived, the forced workers were distributed to industries that had requested workers through local government labor offices.<sup>293</sup> According to Sauckel's figures, 1,480,000 civilian workers were brought to Germany from the Soviet Union in 1942, most of them after April 1, 1942, when an average of 40,000 were sent to Germany every week. These transports included men and women in approximately equal numbers.<sup>294</sup>

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<sup>291</sup> Christian Streit, *Keine Kameraden. Die Wehrmacht und die sowjetischen Kriegsgefangenen* (Stuttgart: Deutsche Verlagsanstalt: 1978), pp. 9-25; Burleigh and Wippermann, *The Racial State: Germany 1933-1945*, p. 296.

<sup>292</sup> Herbert, *Hitler's Foreign Workers*, pp. 145-149; MacKenzie, "The Treatment of Prisoners of War in World War II," p. 499.

<sup>293</sup> BA-K, All. Proz. 2/FC 6126 P, Interrogation of Michael Schrieber, August 28, 1946 (BAK 0074-0106); Herbert, *Hitler's Foreign Workers*, pp. 167-182.

The lives of civilian workers from the East were governed by a set of Decrees on Eastern Workers [Ostarbeitererlässe], the first draft of which was signed by Reinhard Heydrich of the Reich Main Security Office in February 1942. Every Soviet civilian worker had to wear a badge labeled "Ost" ("East"). They received poor food rations, particularly in the early months of 1942, and were required to live in separate camps surrounded by barbed wire. They also were subjected to many regulations governing their behavior. While minor infractions were under the jurisdiction of plant guards, the Gestapo administered harsher punishments, which could include transfer to concentration camps or execution.<sup>295</sup> Eastern workers received low wages and, as was the case with Polish workers, had to pay special taxes. The low wages also effectively prevented workers from transferring any money back to their families, especially since postal communication was largely prohibited.<sup>296</sup>

In September 1943, another group joined the ranks of people forcibly employed in Nazi Germany: Italian POWs, or Italian Military Internees (IMIs). Italians had worked in Germany before the war and had been recruited in the early 1940s. As allies, Italian workers were officially treated well, although they were often affected by racism despite ideological links between Nazi Germany and fascist Italy.<sup>297</sup> However, after Italy's surrender to the Allies in September 1943, and the German military occupation of the northern part of Italy, large numbers of Italian POWs fell into German hands. Commonly regarded as "traitors" and "cowards" by the Germans, Italian POWs sent to Germany were often treated as poorly as Russian workers. As a gesture toward the Italian fascist dictator Benito Mussolini, German authorities reclassified Italian POWs as civilian workers in September 1944, although, as was the case

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<sup>294</sup> Herbert, *Hitler's Foreign Workers*, p. 170; Herbert, *A History of Foreign Labor in Germany, 1880-1980* (Ann Arbor: University of Michigan Press, 1990), p. 149.

<sup>295</sup> Hillman, et al., *Lw. 2/XI – Mune Lübberstedt Zwangsarbeit für den Krieg*, pp. 72-73; Burleigh and Wippermann, *The Racial State: Germany 1933-1945*, pp. 298-302; Herbert, *Hitler's Foreign Workers*, p. 74.

<sup>296</sup> Herbert, *Hitler's Foreign Workers*, p. 91.

<sup>297</sup> Ricciotti Lazzero, *Gli Schiavi di Hitler* (Milan: Arnoldo Mondadori Editore S.p.A., 1996), pp. 6-32; Herbert, *Hitler's Foreign Workers*, pp. 100-106.

with French POWs, this official designation did not greatly alter conditions for the Italian workers.<sup>298</sup>

Another group of forced workers in Nazi Germany consisted of slave laborers taken from concentration camps. Ever since the establishment of the first German camps in 1933, inmates had been forced to work while imprisoned, though mostly in facilities established at the camps themselves. Beginning in mid-1943, however, the SS began to send groups of prisoners to work on-site at companies within Germany. While some of the prisoners were Jewish, a great many were non-Jewish political prisoners and other people labeled “asocial” by the Nazis. The prisoners were first used in construction projects and in the most critical war industries. As the war went on, however, more and more companies became eligible for the use of concentration camp labor. Groups of inmates with their SS guards were dispatched to work at numerous firms, where they were kept in satellite camps, or subcamps, maintained by the main concentration camps. For these services, the companies paid the SS Economic Administrative Main Office a daily fee per worker based on the worker’s skill level.<sup>299</sup> (See Section 7.7. for more on concentration camp labor.)

Jews who were held in concentration camps and ghettos also were used as workers. After the pogrom of

1938, in which steadily worsening intimidation of Jews erupted into the violence of Kristallnacht [The Night of Broken Glass], and before their deportation to the ghettos and extermination centers in the East in the early 1940s, some German Jews were used as slave workers in the Reich.<sup>300</sup> However, the vast majority of Jewish slave laborers worked at facilities established in the occupied Eastern territories. With the German retreat from the East, Jewish prisoners were marched westward and, for a few months toward the end of the war, were used at some facilities within Germany.<sup>301</sup>

## 7.2. Overview of Foreign and Forced Labor at Ford-Werke

In the late 1930s, Ford-Werke experienced a serious shortage of skilled labor.<sup>302</sup> Military conscription, coupled with the Nazi social policy of keeping women out of the work force, contributed to a shortage of labor throughout Germany.<sup>303</sup> The 1936 Ford-Werke Business Report noted that Ford-Werke had been able to increase the number of employees only by training a large number of unskilled laborers and the long-term unemployed.<sup>304</sup> Some had been out of work for years.<sup>305</sup> In February 1939, Ford-Werke co-manager Robert Schmidt wrote to Ford executive Charles Sorensen to emphasize that the lack of skilled labor in Germany was “tremendous.” Schmidt asked if there were German-speaking men in Dearborn who might be willing to

<sup>298</sup> Luigi Cajani, “Die italienischen Militär-Internierten im nationalsozialistischen Deutschland,” in Ulrich Herbert, ed., *Europa und der “Reichseinsatz.” Ausländische Zivilarbeiter, Kriegsgefangene und KZ-Häftlinge in Deutschland 1938-1945* (Essen: Klartext, 1991), pp. 295-316.

<sup>299</sup> Martin Broszat, “Nationalsozialistische Konzentrationslager 1933-1945,” in Hans Buchheim et al., *Anatomie des SS Staates*, vol. 1 (München: DTB, 1989), pp. 108-20.

<sup>300</sup> For an overview on Jewish slave labor in Nazi Germany from 1938 to 1943, see Wolf Gruner, *Der Geschlossene Arbeitseinsatz deutscher Juden: Zur Zwangsarbeit als Element der Verfolgung 1938-1942* (Berlin:Metropol Verlag, 1997).

<sup>301</sup> For a description of the death marches, see Daniel Jonah Goldhagen, *Hitler’s Willing Executioners: Ordinary Germans and the Holocaust* (New York: Knopf, 1996), pp. 327-75. On the use of Jewish workers in industries in the Reich, see Hans Mommsen and Manfred Grieger, *Das Volkswagenwerk und seine Arbeiter im Dritten Reich* (Econ:Darmstadt, 1997), pp. 859-867.

<sup>302</sup> NARA, RG 226, Microfilm M1499, Reel 263, Department of Justice, Report on Ford-Werke AG, May 10, 1943 (NARA 0004270). Simon Reich suggests that Ford-Werke’s status as a foreign firm may have contributed to the company’s labor shortage; see Reich, *The Fruits of Fascism*, p. 117.

<sup>303</sup> Burleigh and Wippermann, *The Racial State*, p. 264. See also NARA, RG 46, Entry 43, Box 670, File: Untitled, Civil Affairs Handbook on Germany, no date (NARA 0005099). Historian Edward Homze addresses the impact of the Nazi social policy on the wartime economy in Germany: “None of the early Nazi labor actions had as serious after effects as this campaign to remove women from all gainful employment. The social policy of the Nazis regarding German women and their role in society had a direct bearing on the decision to mobilize foreign labor during the war. Rather than attempting to intensify the mobilization of native, especially female, labor, the Nazis followed a seemingly easier course and recruited millions of foreigners.” See Homze, *Foreign Labor in Nazi Germany*, pp. 4-10.

<sup>304</sup> Ford-Werke Records, Business Report for 1936 (FW 0005317). In a letter to Charles Sorensen in 1936, Albert noted that conscription had been introduced in Germany, putting the country “under the rule of principles of military economy.” See HFM, Acc. 38, Box 33, File: 168-F-1 Jan-Jun, Albert to Sorensen, January 20, 1936 (HFM 0000463).

<sup>305</sup> For example, the man who eventually became head of the Ford-Werke camp for Eastern workers was a former police officer who

come to Germany to work and become citizens.<sup>306</sup> A few months later, Schmidt asked Sorensen for a loan of six tool designers for a maximum of six months because Ford-Werke's engineering department was working 60 hours per week due to the labor shortage. Sorensen replied that it was impossible. Schmidt explained that not only was there a shortage of engineers and draftsmen, but new regulations prohibited hiring workers away from competitors. He added that many people who under normal conditions never would have been put to work in an automobile factory were being trained to work at Ford-Werke.<sup>307</sup>

The use of foreign and forced labor at Ford-Werke began in 1940, and generally followed the same pattern as at other industrial facilities in Germany. Foreigners from Eastern and Western Europe, as well as Italian and French POWs were put to work at Ford-Werke. These men and women lived in barracks constructed by Ford-Werke adjacent to its plant site, in what became known in Cologne as the "Ford camp."<sup>308</sup> After the Reichsbahn [the German railways], Ford-Werke was the next largest employer of forced workers in Cologne.<sup>309</sup> Late in the

war, men from the concentration camp Buchenwald worked at Ford-Werke as slave laborers. (See Section 7.7.)

Until 1940, only German laborers were employed at the Cologne plant, according to a postwar report by Ford-Werke manager Erhard Vitger.<sup>310</sup> In September 1940, the plant was working at 100 percent capacity in spare parts manufacturing, while assembly operations were at approximately 50 percent capacity. The chief obstacle to increased production was an acute shortage of skilled labor.<sup>311</sup> During that summer, Ford-Werke's Berlin office had been contacted by a representative of Reich Minister Hermann Göring and asked about supplying up to 10,000 specially equipped V-8 motors within three months or sooner. Schmidt recalled that, "material and labor were assigned to us" for the production of what turned out to be motors for landing barges.<sup>312</sup> By the end of September 1940, an American official at Cologne reported that the Cologne plant was exclusively turning out motors for use on barges.<sup>313</sup> (See Section 6.3.)

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lost his job because he belonged to the wrong political party. He was imprisoned and remained unemployed for three years before being hired by Ford-Werke in 1936. See Section 7.6.3. and FMC, Interview with Friedrich Wierscheim, December 8, 1999 (FMC 0018603). A machine designer hired at Ford-Werke had been out of work for two years; see HStAD, NW 1049/39287, Military Government questionnaire of J.W., September 16, 1946. An accountant who was active against the rise of the Nazi regime remained unemployed for four years. He joined the Nazi party for the sake of his family and began working under Vitger in the statistical analysis division of Ford-Werke; see HStAD, NW 1049/39230, G.H., Military Government questionnaire, February 24, 1947 (HSAD 1401-1419).

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<sup>306</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Schmidt to Sorensen, February 22, 1939 (FMC 0003176).

<sup>307</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Schmidt to Sorensen, June 22, 1939 (FMC 0003166-0003168) and Schmidt to Sorensen, June 7, 1939 (FMC 0003169). For example, a former judge who presided over the trial of one of Hitler's friends joined Ford-Werke as "an ordinary workingman" after being imprisoned and labeled politically unreliable; see HStAD, NW 1048/34/272, Translated affidavit of H.S., no date (HSAD 3051-3053; for English translation, see HSAD 3047-3048). A lawyer who joined the Nazi party to protect the identity of her Jewish mother became a secretary at Ford-Werke after the Nazis barred women from positions in the judicial arena; see HStAD, NW 1048/11/65, Military Government questionnaire of M.B., November 27, 1947 (HSAD 0470-0506).

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<sup>308</sup> HAsTK, Acc. 100, Police Chief Reports, June 2, 1944 to December 30, 1944 (HASK 0286-0316).

<sup>309</sup> Reinhold Billstein and Eberhard Illner, "You are now in Cologne. Compliments." Köln in den Augen der Sieger. Hundert Tage unter Amerikanischer Kontrolle (Köln: Emons, 1995), p. 164.

<sup>310</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

<sup>311</sup> NARA, RG 226, Microfilm M1499, Reel 263, Department of Justice, Report on Ford-Werke AG, May 10, 1943 (NARA 0004260-0004261 and 0004264-0004265).

<sup>312</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 172, Memo by Schmidt on L.C. 8 motors, July 20, 1945 (NARA 0000418). Schmidt said that after Holland, Belgium and France had fallen so fast, with Göring's Luftwaffe [German Air Force] receiving much of the credit, Göring committed himself to bringing England to its knees within six weeks. Because of Ford-Werke's "conviction to stay on standard products," Ford-Werke managers brought the matter before the Automotive Industry Economic Group to establish the priority and address the issues of labor and materials. The Luftwaffe finally ordered 2,000 motors and a special transmission, but there were problems with the design and other delays. About 1,000 motors were delivered over two years, with a great deal of material left over. For more on Göring, see Snyder, *Encyclopedia of the Third Reich*, pp. 122-123.

<sup>313</sup> NARA, RG 319, Entry 47C, Box 483, File: 350.05 Germany, Military Attaché Report, Current Events No. 59, September 25, 1940 (NARA 0005677).

The first POWs, totaling “between 100 and 200,” started working at Ford-Werke in September 1940.<sup>314</sup> According to one source, these POWs were French.<sup>315</sup> In a postwar letter to Lord Percival Perry of Ford of Britain, Schmidt reported that 200 French POWs were employed at Ford-Werke in 1941. Schmidt added that most of these POWs were men picked for the tool and machine shop.<sup>316</sup> A 1949 investigation by a police officer in the city of Cologne reported that a POW camp existed at Ford-Werke from 1942 to 1945, housing “on average eighty to ninety prisoners” who were French.<sup>317</sup>

Over the course of the war, Ford-Werke employed workers from Western European countries under German occupation. These “Western workers”

included Dutch, French and Belgian laborers.<sup>318</sup> There is no clear indication when the first Western workers arrived at the plant.

Postwar reports indicate that the first civilians from Eastern Europe began working at Ford-Werke in the spring of 1942. An internal Ford-Werke memorandum written in June 1945 stated, “As far as we can remember, the first Russian men and women came to us in March 1942.”<sup>319</sup> Other postwar documents reported that the Eastern<sup>320</sup> workers arrived in April 1942.<sup>321</sup> In oral history interviews conducted during the 1990s, several Russian and Ukrainian former workers recalled arriving between April and June 1942.<sup>322</sup> Wartime financial records from Ford-Werke reported 320 Eastern workers in May 1942, with the numbers increasing each month to a maximum of 900 workers in October 1943. Between November 1943 and August 1944, the number of Eastern workers indicated in these records varied between 777 and 882.<sup>323</sup>

Italian Military Internees (IMIs) arrived at the plant in the fall of 1943, shortly after Italy’s surrender to the

<sup>314</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023). In a postwar letter to Lord Perry, Schmidt wrote, “In September 1940, many of our employees were called to the colours and had to be replaced by whatever was available.” See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000481-0000485).

<sup>315</sup> Ford-Werke Records, Letter to Vitger, July 8, 1946 (FW 0022372-0022377). According to historian Ulrich Herbert, half of the 2 million foreigners working in Germany in 1940 were French POWs, and in September 1940 French POWs constituted nearly 10 percent of the total German work force. Also according to Herbert, the presence of the French changed German attitudes toward foreign labor. They were dispersed in small groups throughout the country as farmhands and industrial skilled labor. Others were deployed in platoons of roofers and glaziers who went from city to city repairing bomb damage. Consequently, these POWs had contact with the German populace, and enjoyed increasing freedom of movement. See Herbert, *Hitler’s Foreign Workers*, pp. 96, 108 and 124-125.

<sup>316</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000481-0000485).

<sup>317</sup> HASTK, Acc. 606/1, Report of the Cologne 17<sup>th</sup> Police Precinct, June 18, 1949 (HASK 0111).

<sup>318</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832). For more information on Western workers at Ford-Werke, see HStAD, NW 1048/34/272, Affidavit of Kaj Meyer, July 23, 1945 (HSAD 3073); HASTK, Acc. 606/1, International Tracing Service List of Camps - Cologne, July 1949 (HASK 0082-0118); and HStAD, Rep 118/1179, Investigation of Völker et al. for Murder, 1946-1952 (HSAD 0152-0176).

<sup>319</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183A, Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438).

<sup>320</sup> The terms “Russian” and “Eastern” often were used interchangeably in Germany throughout the war to describe workers from all parts of the Soviet Union. From February 1943, Ford-Werke’s monthly financial statements began classifying all civilian workers from the East, including Russians, as Eastern workers.

<sup>321</sup> Ford-Werke Records, Grass to Vitger, July 8, 1946 (FW 0022372-0022377). See also HStAD, NW 1048/34/272, Translation of Report by Wierschein, December 26, 1945 (HSAD 3089-3093).

<sup>322</sup> ELDE, Z10.639, Oral history of L.S., September 10, 1996 (ELDE 0000459-0000473; for English translation, see ELDE 0000906); ELDE, Z10.615, Oral history of S.S., September 13, 1995 (ELDE 0000256-0000274; for English translation, see ELDE 0000632); ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000532). Ford Motor Company was not involved in these interviews. They were conducted through EL-DE House, a museum, research and educational facility in Cologne. Former forced workers who had labored in Cologne during the war were invited to return to the city for oral history interviews conducted through EL-DE House during the 1990s. The building houses the National Socialist Documentation Center and a permanent exhibit on Cologne under National Socialism as well as a memorial to prisoners of the Cologne Gestapo, which had been located in the building. EL-DE, or ELDE, is from the initials (L.D.) of the building’s first owner.

<sup>323</sup> Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890).

Western Allies. A November 1943 letter from Ford-Werke to the Gestapo indicated that a further allotment of 100 Eastern workers had been received, “within our need, reported and approved,” and that 600 Italian POWs had been assigned to the plant.<sup>324</sup> Ford-Werke’s wartime ledgers recorded the population of Italian POWs as ranging from 486 to 568 between November 1943 and August 1944, when the Italian POWs were reclassified as civilian foreign workers.<sup>325</sup> In an oral history interview in 1998, one of the Italian workers employed by Ford-Werke during the war maintained that the number of IMIs at Ford-Werke remained stable at approximately 500 men through August 1944.<sup>326</sup> Postwar reports by Ford-Werke’s management stated that 400 Italian POWs worked at the plant.<sup>327</sup>

### 7.3. Number of Foreign and Forced Workers at Ford-Werke

The total number of foreign and forced laborers who worked at Ford-Werke over the course of the war is difficult to determine for several reasons. Some sources provide general approximations; others give precise numbers, but only for selected groups or for a narrow

time period. However, according to the wartime monthly ledgers and balance sheets from Ford-Werke, the highest number of foreign and forced workers at any point during the war was approximately 2,000. This peak occurred in August 1944.<sup>328</sup>

In some other records, there are references to numbers of workers, including foreign and forced workers, during 1942 and 1943. In August 1942, the Ford-Werke Board of Advisors discussed the need to employ still more “prisoners,” in particular Russians.<sup>329</sup> In October 1942, Schmidt reported to the Reich Commissioner for the Treatment of Enemy Property that as of September 30, Ford-Werke’s work force numbered 4,172 people, including 570 Russian civilian workers and 89 French POWs.<sup>330</sup> In July 1943, Schmidt’s quarterly report to the Reich Commissioner indicated the total work force as of June 1943 was 4,985, including 749 Eastern workers and 79 POWs.<sup>331</sup>

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<sup>324</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 18A, Letter from Buchwald to the Gestapo Cologne, November 8, 1943 (NARA 0000076).

<sup>325</sup> Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890). See also FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023); ELDE, Oral history of M.M., September 8, 1998, (ELDE 0000162-0000186; for English translation, see ELDE 0000201); and IWM, FD 4369/45, Folder A, Staff report summary, September 1, 1944 (IWM 0000471). All these sources indicate that Italian Military Internees, or POWs, were classified as ordinary workers beginning in September 1944. However, one source suggests this may have occurred in the spring of 1944; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183A, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438).

<sup>326</sup> ELDE, Oral history of M.M., September 8, 1998 (ELDE 0000162-0000186; for English translation, see ELDE 0000198-0000203): “Our group had 500 men, and they sent us to Ford. ... How do you know there were exactly 500? ... They gave us work numbers that went from 15.001 through 15.500.” M.M. also said, “Yes, there were five hundred ... anyone who got sick was replaced by someone new.”

<sup>327</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183A, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438); FMC, AR-75-62-616, Box 79, Custodian Report, (FMC 0001023).

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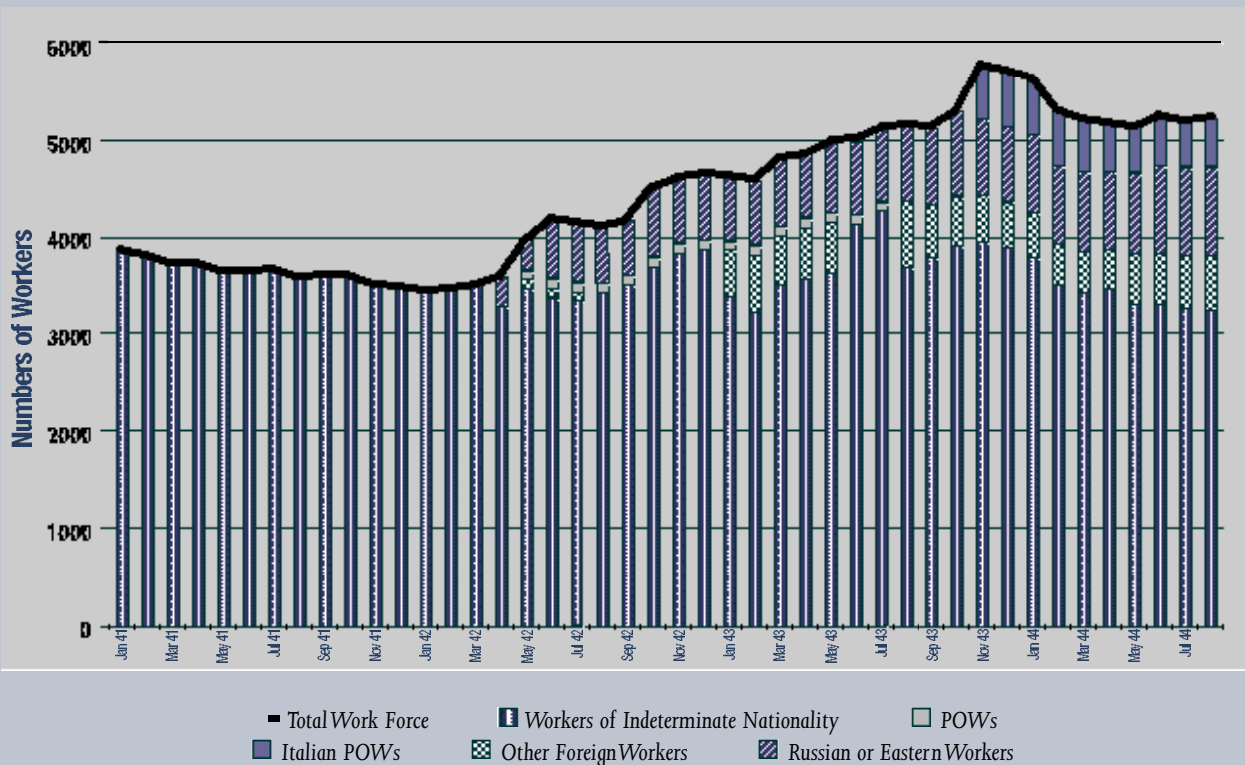
<sup>328</sup> Ford-Werke Records, Financial Ledger, January 1942 - September 1944 (FW 0007011-0007890). Providing an accurate number of forced and foreign workers is further complicated by the fact that different categories of workers were not always referred to in the same way. The term “prisoner,” for example, was not restricted to POWs but sometimes was used synonymously with “people working at the plant not of their own free will.” In the postwar period, some Ford-Werke employees referred to forced laborers as “displaced persons.” The available documentation does not allow for the tracking of individual workers, making an evaluation of work force turnover difficult. See FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917-0000918); NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo to files by Rains, June 13, 1945 (NARA 0000582-0000583); HStAD, NW 1048/34/272, Testimony of Dr. Wenzel, December 16, 1945 (HSAD 3060); and Herbert, *Hitler’s Foreign Workers*, pp. 105-116.

<sup>329</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, August 17, 1942 (DOJ 0011161; for English translation, see DOJ 0011167). In the English version, the German *Gefangenen* [prisoners] is translated incorrectly as “prisoners of war” [Kriegsgefangenen]. While the term “Gefangenen” is usually translated as “prisoners” or “captives,” it might be used here to refer to foreign workers. Although both the German and English versions are unclear, they appear to indicate that foreign workers made up more than one-fourth of the work force at this point.

<sup>330</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Schmidt to the Reich Commissioner, October 13, 1942 (DOJ 0011012; for English translation, see DOJ 0011013); Ford-Werke Records, Financial Ledger, January 1942 - September 1944, Statistik, September 30, 1942 (FW 0007697).

<sup>331</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Schmidt to the Reich Commissioner, July 15, 1943, (DOJ 0010990; for English translation, see DOJ 0010991).

### Labor Trends at Ford-Werke



Sources: Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890); IWM, FD 4369/45, Folder B, Ford-Werke Staff Reports, April 27, 1942-July 17, 1942 (IWM 0000283-0000297). (Note: Statistics for 1941 were presented along with 1942 statistics in the 1942 records.) In the chart above, the numbers of workers have been tabulated in a manner identical to that outlined in the table in Appendix D. The “Workers of Indeterminate Nationality” designation is used in this chart where precise information concerning the makeup of the “Workers on the wage rolls” was not recorded for the line item on the balance sheet. This category primarily includes Germans.

Also as of June 1943, Schmidt reported that half of the employees at Ford-Werke were female.<sup>332</sup> In July 1943, Schmidt reported to the board of advisors that about half the work force was made up of foreigners, including 1,200 Russians, and that most of the Russian workers were female.<sup>333</sup>

Internal Ford-Werke financial records – the wartime monthly ledgers and balance sheets – included some

breakdowns on categories of foreign workers at the plant. Internal Ford-Werke staff reports also included some information on the work force. However, the information for the different categories of workers was not always reported or described systematically in these sources.<sup>334</sup> Also, they provide scant information on numbers of foreign workers, including POWs, at the plant prior to April 1942, or after August 1944. The bar chart, Labor Trends at Ford-Werke, shows the makeup of the work force from January 1941 through August 1944. (See Appendix D for a table showing the month-by-month statistical breakdowns that were available for the period from January 1941 through December 1944.)

<sup>332</sup> NARA, RG 84, Entry 3126, Box 76, Memo re: Visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 00003830-00003832). This information was provided by Schmidt during a visit with the management of Ford of Portugal. Schmidt also reported that of the remaining men in the Ford-Werke work force, most were Russians. Belgian men were next in numbers, followed by various other nationalities.

<sup>333</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011103; for English translation, see DOJ 0011230).

<sup>334</sup> The monthly financial records sometimes refer to Russian civilian workers and sometimes to workers from the East. References to POWs sometimes refer specifically to French POWs and sometimes not. Also, the numbers of other foreign workers were not always recorded.

Postwar reports on the numbers of foreigners working at the plant provide even less precise figures than the wartime ledgers.<sup>335</sup> In March 1945, immediately after the capture of Cologne, Schmidt described the work force at the plant to American military investigators. He stated that in the third quarter of 1944, the work force was composed of a “total of 5,000, consisting of 800 on salary roll, [the] balance of payroll [consisted of] 2,000 Germans, 2,200 foreigners of which 800 were Russians, 400 Italians and [the] balance Dutch, French and Belgian.”<sup>336</sup> Erhard Vitger also was questioned about the numbers of foreign workers, and during his interview, he showed the Americans some documents. A memorandum prepared by U.S. military investigators reported that one of those documents indicated that approximately 40 percent of the total workers in the plant during 1943 and 1944 were foreigners. About one-third of the foreign workers were POWs (primarily Russians), while another one-third were Russian civilians, according to that document.<sup>337</sup>

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<sup>335</sup> One of the first postwar communications from Ford-Werke to Lord Perry of Ford of Britain indicates that 800 Russians were employed in 1942. The report further states that by 1943, 400 Italian men worked for Ford-Werke Cologne; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000481-0000485). A report prepared by Lord Perry’s office and dated September 19, 1946, provides some of the same numbers as the report cited above; however, it provides no information on the number of French prisoners; see FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917-0000918). Vitger’s 1946 report to Ford Motor Company breaks down the information for the years 1943 and 1944. Vitger states that in the fall of 1943, more than 1,000 forced workers were employed at the plant, and by 1944, at least 2,000 of the average number of 4,500 workers on the payroll were foreigners. The report further states “that 50 percent of these [were] Russian civil[ian] workers, the rest consisting of 25 percent war-prisoners and other foreign workers.” See FMC, AR-75-62-616, Box 79, Custodian Report, (FMC 0001023). In 1946, Ford-Werke’s wartime food purchaser claimed that “1,800 German workers received lunch, while 3,600 foreign workers received all three meals.” See Ford-Werke Records, Grass to Vitger, July 8, 1946 (FW 0022372-0022377). In testimony on behalf of the former plant physician, the leader of the Russian camp wrote in 1945, “During the time more and more east-workers were placed at the disposal of the Ford Works, Cologne, up to the average of about 800 persons (about 270 to 300 males and the balance females) during the last 1½ years.” See HStAD, NW 1048/34/272, Translation of Report by Wiersheim, December 26, 1945 (HSAD 3089-3093).

## 7.4. Obtaining Foreign and Forced Workers

Companies went through an application process to employ foreign labor. A detailed form describing the conditions of employment and the reasons for needing the foreign labor was submitted to the local labor office [Arbeitsamt]. The application was then forwarded for approval by other government labor offices before workers were assigned.<sup>338</sup> Similarly, to retain and maintain their work forces, companies reported their needs – based on the orders they had received – to the labor office. This was standard procedure not only for forced and foreign workers, but also for German personnel.<sup>339</sup> When asked in a postwar interrogation how foreign workers and POWs were obtained at Ford-Werke, Robert Schmidt explained that the government asked the combine of automobile firms how much it could produce if it were “given a certain number of DPs [displaced persons] for laborers. After consultation the combine informed the Speer ministry and the laborers were ultimately sent” to the plants.<sup>340</sup> In oral history interviews conducted in the 1990s, some former Eastern workers recalled being sent to Germany via train and initially arriving at transit camps, where Ford-Werke employees selected them for work at the

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<sup>336</sup> NARA, RG 338, Entry 42389, Box 3, File: 15th Daily Reports 9 Mar-12 May '45, Detachment E1H2 Daily Report No. 3, March 12, 1945 (NARA 0004880-0004881).

<sup>337</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo to files on conversation with Vitger, June 11, 1945 (NARA 0006980-0006982).

<sup>338</sup> IWM, *Germany Basic Handbook* (Ministry of Economic Warfare, 1944), Part II, Section R, p. 12 (IWM 0000036). From the Arbeitsamt, the foreign labor applications went to a department of the German Labor Front known as the Office for Labor Deployment. Those that were approved went to the regional labor office. If the requirements of any given request could be met from within the region, arrangements were made for the transfer of labor to the requesting company. If there was insufficient foreign labor available, the application was sent to the Reich Ministry of Labor, where it was handled by an office that kept a card index showing work force data on all the firms employing foreign labor.

<sup>339</sup> Herbert, *Hitler’s Foreign Workers*, pp. 167-87. See also the explanations given at the Nuremberg trials, BA-K, All. Proz. 2/FC 6126 P, Interrogation of Michael Schrieber, August 28, 1946 (BAK 0074-0106).

<sup>340</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo from Rains, June 13, 1945 (NARA 0000582).

facility.<sup>341</sup> (A different process was required for the use of concentration camp labor. See Section 7.7.)

An internal Ford-Werke document from 1942 reported that the company made efforts to recruit Belgian workers from the Ford of Belgium facility in Antwerp, which was administered by Ford-Werke. These efforts included a plan to establish a training program for Ford-Werke at Ford of Belgium, although Ford-Werke officials expressed concerns that the Belgian workers might be assigned to other companies by the local Labor Office once they had completed the training program.<sup>342</sup>

## 7.5. Compensation for Foreign and Forced Workers at Ford-Werke

Few records are available regarding compensation for foreign and forced labor at Ford-Werke. Pay ledgers were included in the financial documents taken from the plant by the U.S. military investigative team, but the ledgers that survived the ensuing years do not provide enough information to calculate wage rates for foreign workers.<sup>343</sup> Postwar reports and interrogations of Ford-Werke managers do provide some information, although the picture is incomplete. The best available information regarding foreign workers' wages and other Ford-Werke pay rates is shown in a table, Ford-Werke Wage Schedule During World War II, on page 56. In accordance with compulsory Nazi regulations governing pay scales for foreign workers, male workers

from Western Europe received the highest pay (in line with male workers from Germany), while female workers from Eastern Europe received the lowest pay.<sup>344</sup>

An internal Ford-Werke memorandum dated June 12, 1945, and addressed to Schmidt states that French POWs received RM 0.80 per hour in wages, with 60 percent of that amount paid to Stalag Bonn in accordance with German POW regulations and the balance paid to the French workers in POW money.<sup>345</sup> These figures are consistent with Vitger's postwar reports to Ford Motor Company. Vitger's reports also state that as of September 1943, French POWs were classified and paid as "ordinary workmen." This occurred as a result of a decision by German officials in consultation with the Vichy regime in German-occupied France.<sup>346</sup>

Postwar reports are in general agreement about the initial pay rates for Italian POWs and the subsequent change in their status and pay in 1944. The June 1945 memorandum to Schmidt states that the Italian POWs initially received RM 0.60 to RM 0.70 per hour, with 60 percent of the wages paid to Stalag Bonn in accordance with the POW regulations and the remaining 40 percent paid in POW money. The memo indicates, however, that "as far as we can recall," in the spring of 1944, the Italian POWs began to be regarded as civilians and were paid RM 0.80 to RM 1.00 per hour, depending on age and efficiency. Their deductions were the same as for the German workers

<sup>341</sup> See ELDE, Z10.617, Oral history of I.K., September 16, 1995 (ELDE 0000065-0000087; for English translation, see ELDE 0000661); ELDE, Z10.665, Oral history of N.S., September 8, 1998 (ELDE 0000391-0000401; for English translation, see ELDE 0000615-0000621). A 1942 Ford-Werke financial audit reported that the company paid RM 30,925 for the transport of Russian civilian workers to Cologne; see BA-L, R 87/6210, Audit by Knipprath for Business Year 1942, (BAL 7555 and BAL 7559).

<sup>342</sup> IWM,FD 4369/45, Folder B,Stoecker to Schmidt,July 4,1942 (IWM 0000183-0000184).

<sup>343</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, memo to files by Rains, June 13, 1945 (NARA 0000582-0000583); Ford-Werke Records,Financial Ledger, January 1942-September 1944 (FW 0007011-0007890).

<sup>344</sup> For a discussion of Nazi racial hierarchy ideology and regulations,see Herbert, *Hitler's Foreign Workers*, pp. 202-204,and Burleigh and Wippermann, *The Racial State*, pp. 44-74.

<sup>345</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438). Some companies adopted the policy of paying their Eastern workers with camp money that could be used only for purchases on the plant site; see Herbert, *Hitler's Foreign Workers*, p. 185.

<sup>346</sup> FMC, AR-75-62-616, Box 79, Custodian Report, (FMC 0001023). Beginning in January 1943, several agreements were reached between the Vichy regime's leader, Pierre Laval, and the German Plenipotentiary for Labor Deployment, Fritz Sauckel, regarding French POWs. These include a "liberalized statute" whereby some POWs were immediately reclassified as civilian workers, and a recruitment exchange program stipulating that the German government released two POWs and reclassified a third for every three new French civilian workers sent to Germany. See Herbert, *Hitler's Foreign Workers*, pp. 273-274, and MacKenzie, "The Treatment of Prisoners of War in World War II," pp. 500-501. Available documentation does not indicate under which program the Ford-Werke POWs were reclassified.



(25 percent.)<sup>347</sup> Vitger's reports indicate the Italian POWs were initially paid RM 0.65 per hour, although he indicated that they were reclassified as civilian workers in September 1944.<sup>348</sup>

These postwar records suggest Western workers at Ford-Werke received roughly the same wages as the German workers,<sup>349</sup> whose pay ranged from RM 1.00 per hour to RM 1.70 per hour. The Western workers who lived on the grounds had RM 1.50 per day deducted for living expenses.<sup>350</sup>

In a November 1943 report to Albert regarding Ford-Werke business matters for October 1943, Vitger wrote that the hourly wage rate for manufacturing labor at Ford-Werke had decreased from RM 1.28 per hour in January 1943 to RM 1.22 per hour in October. The hourly wage rate for all labor at Ford-Werke declined from RM 1.23 to RM 1.17 during the same period, he wrote. Vitger attributed the decline in these rates to the increased use of women and foreigners.<sup>351</sup> Government regulations required that Eastern workers be paid at the lowest rates of all nationalities working in Germany during the war. During an interrogation by American military inspectors in June 1945, Schmidt said that the system for paying the workers changed gradually for the better after they were first brought to

the plant. A Russian worker under the first pay plan received about a third of the total pay that was due, with the rest going for taxes (50 percent) and food and lodging, which were provided by Ford-Werke. Men were paid more than women. Schmidt also said that the pay for Eastern workers eventually approached that of the German workers.<sup>352</sup> Other postwar documents indicate that Eastern workers' wages were paid monthly, with about half of the amount deducted for taxes and an additional RM 45 taken out for food and lodging, leaving approximately RM 30 to RM 40 per month left over after deductions. These documents also indicate that a new pay schedule for Eastern workers was implemented in the autumn of 1943, under which workers received higher wages, health insurance and a reduced level of deductions amounting to 50 percent of earnings.<sup>353</sup>

In August 1943, Eastern workers complained that they were not receiving all of their pay. An internal investigation revealed that in nearly 30 cases reviewed up to that point, not enough hours had been recorded and some people were not mentioned at all in the reports recording time worked. Werner Buchwald, a Ford-Werke employee and the plant counterintelligence liaison, asked the plant wage office to clear up the matter and prepare payment immediately.<sup>354</sup>

Postwar financial records from Ford-Werke include references to monies owed to former foreign workers. The December 1945 balance sheet identified items not under the control of the business. This category included unclaimed wages and salaries of foreign workers employed at Ford-Werke during the war. The entry indicates that RM 63,419 in "[s]avings deposits of foreign workers employed during the war at Ford-Werke AG" had been credited to a blocked account at the Deutsche Bank, Cologne, by order of the military

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<sup>347</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438), Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083-0000085).

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<sup>348</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

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<sup>349</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000085), Exhibit 183A, Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438); FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

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<sup>350</sup> FMC, AR-98-213546, Box 2, File:History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002046-0002047).

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<sup>351</sup> Ford-Werke Records, Vitger to Albert, November 19, 1943 (FW 0002445).

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<sup>352</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, memo to files by Rains, June 13, 1945 (NARA 0000582).

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<sup>353</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183A, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438); FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

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<sup>354</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 184, Memo from Buchwald to Grandi, August 20, 1943 (NARA 0000438-0000439).

### Ford-Werke Wage Schedule During World War II

	Wage Rate (RM)	
	Low	High
<b>Wages for Germans (per hour)</b>		
Non-productive <sup>355</sup> labor	1.00	1.20
Non-productive departments	1.00	1.50
Productive departments	1.20	1.70
<b>Wages for other laborers (per hour)</b>		
Western workmen	1.00	1.70
French POWs <sup>356</sup>	0.80	0.80
Italian POWs <sup>357</sup>	0.65	0.65
East workmen/Russian civilian workers (men) (pre-autumn 1943)	0.32	0.78
East/Russian civilian workers (women) <sup>358</sup> (pre-autumn 1943)	0.24	0.59
East workmen/Russian civilian workers (autumn 1943 and afterward) <sup>359</sup>	0.60	1.20
<b>Salaries of German employees (monthly RM)</b>		
Group 1: Non-skilled employees	125	325
Group 2: Skilled employees-dependent jobs	130	475
Group 3: Skilled employees-independent jobs	150	575
Group 4: Assistant department heads	600	750
Group 5: Department heads	800+	

Source: FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002042-0002055).

government.<sup>360</sup> During 1947, these and other funds, totaling RM 109,292.66 and described as “Savings of

displaced persons,” were shown as having been transferred to a special account at the Deutsche Bank.

<sup>355</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002047). Under Wage and Salary Levels in the Vitger report, “Non-Productive labor” was described as “cleaning, car washing, etc.” “Non-Productive departments” were considered to be such as “Stock-Dept., Chauffeurs, Factory-Service, etc.” “Productive departments” were considered to be “machine-hall, tool-job, assembly-line, etc.” See Section 7.6.1. for more details on work assignments at Ford-Werke during the war.

<sup>356</sup> French POWs were classified and paid as “ordinary workmen” beginning in September 1943, according to FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

<sup>357</sup> These were the initial pay rates. In 1944, Italian POWs were reclassified and paid as “ordinary workmen.” See FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002046).

<sup>358</sup> Rates ranged according to age; see FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002046).

<sup>359</sup> From this time onward, Eastern/Russian workers were paid “according to sex, age and efficiency RM 0.60 to RM 1.20 per hour.” See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 183A, Memo from Brach to Schmidt, June 12, 1945 (NARA 0000437 and 0000455; for English translation, see NARA 0000438).

<sup>360</sup> FMC, AR 75-62-616, Box 79, Custodian Report, Separate Schedule of all Assets and Liabilities of Balance Sheet, December 31, 1945 (FMC 0006056-0006057). The amount was listed as an asset. Vitger’s postwar report confirmed that the savings of displaced persons in the amount of RM63,419 were being held at the Deutsche Bank; see FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0000989). See also Ford-Werke Records, Unclaimed Wages and Salaries of Foreign and Migrant Workers, no date (FW 0006052-0006061) for a breakdown of the RM63,419 into the amounts owed to individual workers by nationality. According to historian Edward Homze, German authorities during the war encouraged foreign workers to place some of their wages in savings accounts to be transferred to their families abroad. The Germans were hoping to prevent the foreign workers’ wages from entering the already heavily

These funds do not appear in Ford-Werke's financial records after 1947.<sup>361</sup>

## 7.6. Conditions for Foreign and Forced Workers at Ford-Werke

### 7.6.1. Working Hours and Tasks

The average workweek at Ford-Werke for all workers grew longer as the war continued. In his postwar report, Vitger wrote that before the war, Ford-Werke was working five days, or 40 hours, per week. In 1940, working hours in the factory were set at 48 hours per week; they were raised to 54 hours per week at the

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depleted consumer market. In the case of Eastern workers, however, Herbert notes that their low wages effectively prevented them from saving any substantial amounts. See Homze, *Foreign Labor in Nazi Germany*, pp. 245-246, and Herbert, *Hitler's Foreign Workers*, p. 91.

<sup>361</sup> Ford-Werke Records, Main Account Book 1947, Deutsche Bank Köln - Savings of Displaced Persons (FW 0015156). The funds were transferred in three stages: RM 63,419.31 was sent on January 1, 1947; RM 45,402.35 was transferred on May 31, 1947; and a final transfer of RM 471 occurred on September 30, 1947. In May 1952, the Allied High Commission asked the West German government to accelerate the collection of back pay owed to former POWs and foreign workers. (The commission, consisting of representatives from Britain, France and the United States, was created in 1949 with the establishment of the German Federal Republic, also known as West Germany. The commission replaced the former postwar Allied military government in Germany.) Back pay sums collected in response to the commission's request were to be transferred to accounts or representatives in Germany to be nominated by the entitled persons. In September 1952, the West German government reported to the commission that the question of payment of back pay for former POWs and foreign workers had been settled at the London Debt Conference. Former workers were entitled to receive the amounts owed to them in five equal yearly installments starting in January 1953. Under terms of the agreement, the amounts that had been placed in financial institutions on behalf of the former workers could be applied for and included in the settlement. See PRO, FO 1036/932, Slater to Blankenhorn, May 5, 1952 (PRO 0000165-0000168) and PRO, FO 1036/932, von Trützschler to Joos, September 18, 1952 (PRO 0000171).

<sup>362</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

<sup>363</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832).

<sup>364</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 3, 1943 (DOJ 0011103-0011104; for English translation, see DOJ 0011230). Schmidt said that it was necessary to have people work long hours to avoid losing more workers to the military draft.

beginning of 1943. In 1944, work hours were raised again, this time to 57.5 hours. The last increase took effect in August 1944. From this time on, 60 hours were worked per week.<sup>362</sup> During his visit to Portugal in June 1943, Robert Schmidt emphasized that, "all Ford plants in Europe are working 24 hours a day."<sup>363</sup> In July 1943, Schmidt reported to the board of advisors that everyone at the Cologne plant was working 54 to 60 hours a week.<sup>364</sup> In interviews conducted in the 1990s, former forced workers remembered working between 10 and 12 hours a day.<sup>365</sup>

Most former forced workers describe their tasks as manual labor in production.<sup>366</sup> Postwar documentation, mostly denazification and personnel files, reported that Germans and foreigners worked together in all aspects of the work.<sup>367</sup> Internal Ford-Werke documents provide further details. Monthly employment reports from 1942 indicate that Eastern workers were assigned to a variety of different departments at the facility. These include "productive" work on the rear axle, transmission and other assembly lines, as well as "unproductive" work in warehouses, machine repair, tool making, vehicle inspection, kitchen work and general maintenance.<sup>368</sup> An October 1943 memo reported that Ford-Werke planned to use some Italian POWs for inspection and quality control work.<sup>369</sup>

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<sup>365</sup> One of the Italian Military Internees, M.M., remembers working nine hours daily in the first few months and 10 hours daily toward the end of the war; see ELDE, Oral history of M.M., September 8, 1998 (ELDE 0000162-0000186; for English Translation, see ELDE 0000201). Others, mostly Russians or Poles, recall 12-hour workdays; see, for example, ELDE, Z10.569, Oral history of I.A., October 15, 1992 (ELDE 0000275-0000297; for English translation, see ELDE 0000515) and ELDE, Z10.672, Oral history of I.K., September 16, 1995 (ELDE 0000065-0000087; for English translation, see ELDE 0000662).

<sup>366</sup> All former foreign workers recall being part of the production process. See, for example, ELDE, Oral history of I.A., October 15, 1992 (ELDE 0000275-0000297; for English translation, see ELDE 0000512) and ELDE, Oral history of K. F., September 12 1995 (ELDE 0000127-0000143; for English translation, see ELDE 0000759).

<sup>367</sup> See, for example, BA-K, Z 42 V/3843, Court documents for trial of F.V. (BAK 0115-0177); Ford-Werke Records, Personnel File of H.W. (FW 0021964-0021987) and Personnel File of W.H. (FW 0023145-0023158).

<sup>368</sup> IWM, FD 4369/45, Folder B, Eastern workers staff report, April to August 1942 (IWM 0000289-0000290).

<sup>369</sup> IWM, FD 4369/45, Folder B, Streit to Brach, October 14, 1943 (IWM 0000185).

Toward the end of the war, in September 1944, Italians and Germans were put to work sorting through rubble at a Ford-Werke part warehouse in Stolberg to salvage repairable items.<sup>370</sup>

Italian POWs were sent to work at companies affiliated with Ford-Werke. A staff report from November 1943 shows that 44 Italian workers were delegated to the Krupp factory, and therefore were not listed on the report. In January 1944, approximately 70 Italian POWs originally assigned to Ford-Werke began working for Ford-Werke supplier companies, although they continued to be listed on the Ford-Werke staff reports. By March 1944, approximately 80 Italians were listed as working for supplier firms. In May 1944, the number was about 70 Italians, with 10 Eastern workers also listed as working at supplier companies.<sup>371</sup>

### 7.6.2. Housing Conditions

Most foreign and forced workers employed at Ford-Werke were housed in barracks built on land

immediately to the northwest of the plant. Ford-Werke rented the land from the city of Cologne and began construction of the barracks in 1940. Additional construction was done in 1941, and a more significant expansion occurred in 1942, when additional barracks were erected for the Russian workers. One of the former forced workers remembered building the barracks. Multiple sources indicate the barracks were built of wood. In October 1944, repairs were made to the foreign workers' camp after it was damaged during Allied bombing raids. There are several indications that air raid shelters were available for forced and foreign workers in the camp.<sup>372</sup>

Ford-Werke, like most other companies employing foreign workers, had a camp with separate sections for the different nationalities employed at the plant, following Nazi guidelines.<sup>373</sup> In a postwar memo, Schmidt wrote that when foreign workers arrived at German plants, the Gestapo stepped in and took over all "political ends," which Schmidt defined as including the housing and feeding of all workers, foreigners as well as Germans.<sup>374</sup> In a separate postwar memo, he wrote that under the Gestapo rules, Russian camps had to be fenced and closed, but Western European camps were open and Western Europeans could live in town if they wanted to.<sup>375</sup>

<sup>370</sup> WNRC, Acc. 299-68A-0243, Box 538, Book 38-II.a-1944 (2) - locations other than Cologne, Invoice No. 802379, December 31, 1944 (DOJ 0006024-0006026; for English translation, see DOJ 0006031-0006032). In the English translation, Gfm. is recognized as Gefangenen (prisoners) and translated as such. It seems more likely, though, that Gfm. means Gefolgschaftsmitglieder (work force).

<sup>371</sup> See IWM, FD 4369/45, Folder A, Staff report summary, November 19, 1943 (IWM 0000367), Staff labor report, January 7, 1944 (IWM 0000390), Staff labor report, March 24, 1944 (IWM 0000423) and Staff labor report, May 18, 1944 (IWM 0000440).

<sup>372</sup> In 1940, RM 28,969 was spent to erect wooden barracks for a "Foreign Workers' Camp." An additional investment of RM 24,242 was made in 1941, and a considerable extension was necessitated in 1942, amounting to RM 831,530. The camp was equipped with an air raid shelter and a special kitchen. In 1943, additional air raid protection was provided at a cost of RM 216,275, and roads at RM 10,255. After its completion in 1944, the camp comprised 45 wooden buildings of different sizes totaling 749,972 square feet. See HP, Acc. 61-000417, Box 1, German War Recovery Study, 1950, pp. 25, 28, 31-32 and 34-35 (HP 0000212, 0000215, 0000218-0000219 and 0000221-0000222); Ford-Werke Records, Scheuffgen to Stadtverwaltung Köln, September 17, 1946 (FW 0003919), Policy with Regard to Depreciation of Fixed Assets (FW 0006220); ELDE, Z10.615, Oral history of S.S., September 13, 1995 (ELDE 0000256-0000274; for English translation, see ELDE 0000633); BA-L, R 87/6208, Audit Report by Knipprath for 1943, (BAL 7602); HStAD, RW 54/104, Building Project Correspondence, January-August, 1944 (HSAD 0032-0043); and WNRC, Acc. 299-68A-0243, Box 537, Book 13-I.b-1946 (2), Repair Invoice, May 16, 1946 (DOJ 0001509-0001522).

<sup>373</sup> According to a British wartime summary of Nazi procedures for employing foreign labor, it was a frequent practice for companies to establish separate groups of huts for each nation represented in their foreign worker camps. "The two groups of workers most often housed in special national camps are Italians - originally privileged as important allies - and 'Eastern Workers' - always segregated as much as possible as dangerous and inferior elements." See IWM, *Germany Basic Handbook* (Ministry of Economic Warfare, 1944), Part II, Section R, p. 12 (IWM 0000036). At Ford-Werke, repair invoices distinguished between a "Russian Camp," a "Camp for Foreigners" and an "Italian Camp." See WNRC, Acc. 299-68A-0243, Box 537, Book 13-I.b-1946 (2), Repair Invoice, May 16, 1946 (DOJ 0001509-0001522). Also, postwar testimony reported that there were different work camps for civilian foreigners, POWs and Eastern Workers; see HStAD, NW 1048/34/272, Testimony of H.H., July 30, 1946 (HSAD 3056).

<sup>374</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 17, Memo by Schmidt on Buchwald, June 22, 1945 (NARA 0000074).

<sup>375</sup> Schmidt said that most Western Europeans preferred to live in the camp because the food was better and the housing was cheap. In particular, he said, they felt safer in the event of bomb attacks; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083-0000085).

Scant information could be found regarding the furnishing of the camps. Ford-Werke financial documents show purchases of metal beds and lockers for the foreign workers' camps in 1943.<sup>376</sup> However, former forced workers interviewed in the 1990s recalled that the barracks were furnished with wooden plank beds; some mentioned additional items, including lockers and heating stoves.<sup>377</sup> There are conflicting reports on the sanitary conditions of the camps. In a postwar interview, the son of the head of the Russian camp emphasized that the hygienic situation in the barracks was good.<sup>378</sup> However, several former forced workers as well as a German former employee interviewed in the 1990s described the barracks as infested with bugs.<sup>379</sup>

By the end of the war, the camp for all of Ford-Werke's forced workers consisted of some 37 to 45 barracks or huts.<sup>380</sup> According to Vitger's postwar report, the total floor space available in the camp buildings amounted to 10,500 square meters (113,021 square feet).<sup>381</sup> Schmidt's report to the board of advisors on July 1, 1943, described the cluster of residences as a specifically built barrack town.<sup>382</sup> In 1949, the barracks were still being used as housing for

bombed-out employees, although the company's Welfare Section was trying to find "more suitable accommodations."<sup>383</sup>

### 7.6.3. Supervision and Control of Foreign and Forced Workers

The supervision of foreign and forced workers at Ford-Werke was the responsibility of both the plant guards and the Gestapo. Plant guards controlled all foreign workers. However, as dictated by Nazi decrees, special guards were assigned to Eastern workers.<sup>384</sup> In an oral history interview conducted in the 1990s, one former worker recalled that the Eastern, or Russian, workers' camp had some Russian guards.<sup>385</sup> The German authorities promoted the practice of supplementing German guards with select Russian forced workers as a means of improving productivity.<sup>386</sup> According to a postwar American military investigation, the Eastern worker camp at Ford-Werke was surrounded by barbed wire.<sup>387</sup> In his July 1945 statements to American military authorities, Schmidt said, "The camps for the Russians were to be fenced in and kept closed all the time."<sup>388</sup> A June 1943 letter from Ford-Werke Plant Security Chief Lieutenant K. Scheben

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<sup>376</sup> Ford-Werke Records, Financial Ledger, January 1942 - September 1944 (FW 0007344 and 0007457).

<sup>377</sup> ELDE,Z10.639,Oral history of L.S.,September 10,1996 (ELDE 0000459-0000473; for English translation, see ELDE 0000906); ELDE, Z10.615, Oral history of S.S., September 13, 1995 (ELDE 0000256-0000274; for English translation, see ELDE 0000635); ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation,see ELDE 0000896);ELDE,Z10.672,Oral history of I.K., September 16, 1995 (ELDE 0000065-0000087; for English translation,see ELDE 0000662).

<sup>378</sup> FMC, Interview with Friedrich Wierschein, December 8,1999 (FMC 0018603).

<sup>379</sup> ELDE,Z10.633,Oral history of T.N.,September 12,1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000896);ELDE,Translated oral history of K.N.,September 13, 1995, (ELDE 0000698); FMC, Interview with Anna-Luise Hofstätter, December 13, 1999 (FMC 0018305).

<sup>380</sup> U.S. bombing survey reports mention 37 huts; see NARA, RG 243,Entry 6,Box 687,File:77a17,Interpretation Report No. K. 300 (R),July 18,1945 (NARA 0004500). Postwar Ford-Werke documents describe 45 buildings;see HP,Acc. 61-000417, Box 1,German War Recovery Study, 1950, p. 31 (HP 0000218).

<sup>381</sup> FMC, AR-75-62-616,Box 79, Custodian Report (FMC 0000992). As a comparison, Vitger quotes a figure of 12,136 square meters (130,631 square feet) for Ford-Werke's assembly hall.

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<sup>382</sup> WNRC, Acc. 299-68A-0243, Box 536, File:W17536,Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011104; for English translation, see DOJ 0011230).

<sup>383</sup> FMC, AR-98-213541, Box 52, File: Audit Report - July 28, 1949, Hibberson-Platt Report,July 28, 1949,and August 1949 (FMC 0000773). In 1946, the Foreign Workers' Camp was reconditioned and equipped with sanitary and heating facilities for employees who lost their homes during the war. See HP, Acc. 61-000417, Box 1, German War Recovery Study, 1950, p. 103 (HP 0000292).

<sup>384</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185D, Buchwald to Gestapo Cologne, July 13, 1942 (NARA 0000441; for English translation, see NARA 0005907). Werner Buchwald was a Ford-Werke employee whose duties included plant counterintelligence to German military intelligence and the Gestapo.

<sup>385</sup> ELDE, Z10.616, Oral history of A.N., September 12, 1995 (ELDE 0000088-0000110; for English translation, see ELDE 0000078).

<sup>386</sup> Herbert, *Hitler's Foreign Workers*, pp. 177-179.

<sup>387</sup> NARA, RG 407, Entry 368B, Box 1032, Report on preliminary investigation of Ford-Werke, AG (External Assets - Germany) by Rains and Naiden, June 21, 1945 (NARA 0001173).

<sup>388</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083-0000085).

to the Gestapo reported that one Russian forced worker was shot and wounded by Ford-Werke plant guards when trying to leave the camp without permission.<sup>389</sup> In interviews conducted in the 1990s, some former Ford-Werke forced workers from Russia and Ukraine remembered being allowed to leave the camp in groups, usually on Sundays, after having worked there for some time.<sup>390</sup> There is some indication that the camp for Italian POWs also was fenced in and specially guarded.<sup>391</sup>

Under Nazi regulations, Western European workers were treated differently.<sup>392</sup> Some Western workers were allowed vacation time and were able to return to their homeland for a specified period. Staffing reports from Ford-Werke in early 1944 indicate that several hundred Western workers left for vacation and never returned.<sup>393</sup> These “breaches of contract” were addressed in a memo from the armaments ministry dated July 22, 1943, informing companies that they could apply for a ban on vacation time for their Western workers if they were not

able to secure the punctual return of the workers by other means.<sup>394</sup> A few months later, Labor Minister Fritz Sauckel established a system whereby every member of a group of foreign workers would have to return before the next group could leave.<sup>395</sup> The new regulations did permit leniency in the case of family emergencies.<sup>396</sup>

Officially, the supervisor of the Eastern worker camp was to be jointly determined by the Gestapo and the DAF (German Labor Front). However, in a July 13, 1942, letter to the Gestapo, Ford-Werke employee and counterintelligence liaison Werner Buchwald indicated that Josef Wierscheim was Ford-Werke’s choice to oversee the Eastern workers’ camp under Plant Security Chief Scheben, if the Gestapo approved.<sup>397</sup> Schmidt confirmed in 1945 that Wierscheim had been in charge of the Russians at Ford-Werke.<sup>398</sup> A 1947 report from Ford-Werke’s Denazification Committee indicated that Wierscheim physically disciplined foreign workers at the plant.<sup>399</sup> In an oral history interview in the 1990s,

<sup>389</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185H, Scheben to Gestapo Cologne, June 1, 1943 (NARA 0000443; for English translation, see NARA 0005910). The letter says that around 6:45 p.m. on May 31, 1943, two Eastern workers left the Ford-Werke camp without permission. Outside the fence, they were told three times to stand still. One did, but the other kept running. The officer gave off a warning shot and once again commanded the worker to stand still. When this was ignored, the officer followed orders and shot the man through the left arm with a pistol. Plant security reported the man was in medical care, and that the wound was not serious and would not disable him from working. The letter stated that Eastern workers knew security personnel would shoot at anyone attempting to flee.

<sup>390</sup> See, for example, ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000542); and ELDE, Z10.616, Oral history of A.N. and N.S., September 12, 1995 (ELDE 0000088-0000110; for English translation, see ELDE 0000769-0000770).

<sup>391</sup> BA-K, Z 42 V 3843, Court documents for trial of F.V. (BAK 0128).

<sup>392</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083-0000085); HASTK, Acc. 606/2, Report on Foreigner Camps, June 13, 1949 (HASK 0117-0118). Mention is made of civilian workers’ camps at Kalker-Hauptstrasse 216, 272 and 296. The inhabitants, who included several Belgian laborers working at Ford-Werke, “were allowed to move around freely. They were only under surveillance of the foreigner police.” See also HStAD, Rep 118/1179, Rapport Definitiv No. 79 (HSAD 0161).

<sup>393</sup> IWM, FD 4369/45, Folder A, Staff report summaries January 21 and 28, 1944 (IWM 0000394 and 0000399).

<sup>394</sup> IWM, FD 4369/45, Folder E, Scheid to Armaments Ministry, July 22, 1943 (IWM 0000759-0000760).

<sup>395</sup> IWM, FD 4369/45, Folder E, Order No. 12, Fritz Sauckel, October 2, 1943 (IWM 0000627-0000628).

<sup>396</sup> IWM, FD 4369/45, Folder E, Scheid to Armaments Ministry, September 30, 1943 (IWM 0000640-0000641).

<sup>397</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185D, Buchwald to Gestapo Cologne, July 13, 1942 (NARA 0000441; for English translation, see NARA 0005907).

<sup>398</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo from Rains, June 13, 1945 (NARA 0000582). For information on Josef Wierscheim, see HStAD, NW 1048/41/1615, Denazification File J. Wierscheim (HSAD 0190-0196). Before the Nazi party took power in 1933, Wierscheim had been a police officer in Frankfurt/Main. He had been a member of the Social Democratic Party and other organizations supportive of the Weimar Republic, and was therefore terminated from his job by the Nazis. In 1936, Wierscheim joined Ford-Werke’s plant security. On April 8, 1945, the Allied Military Government recommended him “for position as police chief.” In a December 1999 interview, his son, Friedrich, said that his father remained on the postwar police force until he retired. Friedrich Wierscheim also said that his father had been imprisoned for two weeks after his dismissal by the Nazis and that the only thing that saved him from a concentration camp was his military service in World War I. See FMC, Interview with Friedrich Wierscheim, December 8, 1999 (FMC 0018603, FMC 0018615 and FMC 0018621-0018622).

<sup>399</sup> HStAD, NW 1048/34/272, Denazification Subcommittee 98 to Main Committee, September 19, 1947 (HSAD 2989-2995). The report states that Wierscheim treated foreign workers with an “an open hand” [lockere Hand].

one former Eastern worker recalled that the plant commandant “wasn’t strict. He punished, but he forgave as well ... He was sympathetic.”<sup>400</sup> Another worker remembered the head of the camp as being “a noisy guy. He was always shouting. But you could say he was a good person ... He often punished me for this and that.”<sup>401</sup>

According to wartime reports and postwar documents, Ford-Werke plant guards disciplined workers physically and put them under house arrest.<sup>402</sup> Former workers recalled during interviews in the 1990s that plant foremen occasionally slapped or hit workers when they left their posts or made mistakes on the job.<sup>403</sup> An October 1943 in-house communication from Buchwald to Ford-Werke Production Manager Hans Grandi noted that there had been “more and more cases of East-workers being beaten, mostly by foremen, for some faults in the plant.” Buchwald wrote that he had “no objections against a master or foreman grabbing a Russian to show him bodily where his place

is. We cannot tolerate, however, that the mistreating of East-workers becomes a rule.” Buchwald noted that this treatment was feared more by the Russians than “officially pronounced, severer punishment.” In the interest of improving the working atmosphere, Buchwald asked Grandi to inform foremen that in the future he would prosecute each case of mistreatment brought to his attention.<sup>404</sup> The issue of foremen mistreating foreigners is mentioned in postwar reports by American military authorities.<sup>405</sup> Similar accusations are found in Ford-Werke personnel files. In one case, there are indications that a particular foreman treated neither Germans nor foreigners well.<sup>406</sup>

Schmidt told U.S. military officials that Buchwald supervised the plant guards. Schmidt said that Buchwald trained the guards to handle guns and taught them how and when to make arrests. Schmidt also recalled that Germans, Russians and Western workers alike were watched closely for “Anti Nazi movements.”<sup>407</sup> A July 1944 letter marked “secret” from Ford-Werke to the local Gestapo indicates the use of a net of informants in Ford-Werke’s camps.<sup>408</sup> Because of his position, Buchwald was involved in the Gestapo’s oversight of foreign workers at Ford-Werke. Schmidt told the Americans that Buchwald had been

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<sup>400</sup> ELDE,Z10.633,Oral history of T.N.,September 12,1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000542 and 0000548). The former worker said punishment for stealing food, for instance, might be confinement to a detention cell for three or four days, or not being allowed to go into the city for three weeks.

<sup>401</sup> ELDE,Z10.665, Oral history of N.S., September 8,1998 (ELDE 0000391-0000401; for English translation, see ELDE 0000621). N.S. agreed with T.N., another former forced worker, that the plant commandant did not send anyone from Ford-Werke to a concentration camp. In a 1999 interview, Wierscheim’s son, Friedrich, said that twice in early 1945, his father was called in for interrogation by the Gestapo, presumably because he was treating the workers too well. Friedrich Wierscheim also recalled that two Ukrainians, the camp elders, had helped Josef Wierscheim and his wife move into an apartment created from part of the camp medical barracks after their home was destroyed in a bombing raid;see FMC, Interview with Friedrich Wierscheim,December 8, 1999 (FMC 0018657, 0018664 and 0018686-0018687).

<sup>402</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185E, Buchwald to Gestapo Cologne, February 25, 1943 (NARA 0000442; for English translation, see NARA 0005908).

<sup>403</sup> ELDE,Z10.617,Oral history of I.K.,September 16,1995 (ELDE 0000065-0000087; for English translation, see ELDE 0000665); ELDE, Oral history of M.M., September 8, 1998 (ELDE 0000162-0000186; for English translation, see ELDE 0000206);ELDE,Z10.605, Oral history of M.S.,September 19, 1994 (ELDE 0000440-0000458; for English translation, see ELDE 0000869); ELDE Z10.569, Oral history of I.A., October 15,1992 (ELDE 0000275-0000297; for English translation,see ELDE 0000513-0000515).

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<sup>404</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185A, Buchwald to Grandi, October 14, 1943 (NARA 0000439-0000440). Starting in mid-1943, German officials began relaxing regulations governing the administration of Eastern workers and bringing their treatment more in line with that of Western workers; see Herbert, *Hitler’s Foreign Workers*, pp. 261-273.

<sup>405</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, memo from Rains, July 25,1945 (NARA 0000581).

<sup>406</sup> Ford-Werke Records, Personnel File of W.H., March 31, 1948 (FW 0023149). The postwar denazification subcommittee opposed this man’s re-employment.

<sup>407</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083-0000085). A May 1944 letter from Ford-Werke to the local Gestapo office describes rifles supplied to the plant guards as old, rusty and without safety catches, and asks for new weapons that would be less likely to go off accidentally. See Exhibit 185G, Ford-Werke to Gestapo Cologne, May 3,1944 (NARA 0000443).

<sup>408</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 185J, Ford-Werke to Gestapo Cologne, July 10, 1944 (NARA 0000445; for English translation, see NARA 0005916).

appointed to the position of plant counterintelligence officer [Abwehrbeauftragter] at the beginning of the war by the Counter Intelligence Office of German military intelligence. Schmidt said that when foreign workers were transferred into Germany's industrial plants, the Gestapo stepped in and took over all political matters, "Now the Abwehrbeauftragter had two bosses, the High Command and the Gestapo and received orders and regulations from both."<sup>409</sup> In his denazification file, Buchwald said, "From 1942 on, I had to send copies of the monthly reports to the Gestapo, too."<sup>410</sup> Other postwar testimonies indicated that the Gestapo was directly involved in the administration of the foreign workers' camp. According to Schmidt, the Gestapo supervised "[f]ood, housing, clothing, wages for foreign workers" and frequently searched the Russian camp, often behaving rudely.<sup>411</sup> In a 1996 interview, a former forced worker recalled a police raid on the camp to search for weapons.<sup>412</sup> Additional postwar reports indicate the presence of employees with Gestapo and SS connections.<sup>413</sup>

<sup>409</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 17, Memo by Schmidt on Buchwald, June 22, 1945 (NARA 0000074).

<sup>410</sup> HStAD, NW 1049/46784, Interview statement by Buchwald, November 30, 1946 (HSAD 0214). For examples of his reports, see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 18A, Buchwald to the Gestapo Cologne, November 8, 1943 (NARA 0000076) and Exhibit 185J, Ford-Werke to Gestapo Cologne, July 10, 1944 (NARA 0000445).

<sup>411</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 17, Memo by Schmidt on Buchwald, June 22, 1945 (NARA 0000074), Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083).

<sup>412</sup> ELDE, Z10.623, Oral history of A.O., September 13, 1996 (ELDE 0000474-0000497; for English translation, see ELDE 0000586).

<sup>413</sup> Buchwald said in a postwar statement that staff representative B. had been with the Gestapo before coming to Ford-Werke. Another Ford-Werke employee, H.H., was a member of the SD. See HStAD, NW 1049/46784, Interview Statement by Buchwald, November 30, 1946 (HSAD 0214); and HStAD, NW 1049/76620, Hirsch to Frau Schmidt, November 15, 1945 (HSAD 0864-0865).

<sup>414</sup> HStAD, RW 34/8, Weekly Report of the State Security Police of November 19-26, November 28, 1944 (HSAD 0084-0085). The German authorities suspected Eastern workers in Cologne of joining together in gangs. According to historian Ulrich Herbert, from the end of November 1944, there were almost daily armed clashes in Cologne between gangs and the Gestapo, "some reaching the scale of pitched battles." See *Hitler's Foreign Workers*, p. 367.

In November 1944, the Cologne Gestapo reported the arrest of Ukrainian workers from Ford-Werke on charges of looting. The arrests were followed by a raid on the camp by German army personnel that resulted in a "shoot-out."<sup>414</sup> Other Gestapo reports contain additional references to forced workers from Ford-Werke, including reports of workers arrested for stealing money, a bicycle, milk and clothes.<sup>415</sup> In February 1945, plant guards turned over a Ukrainian worker to the Cologne Gestapo after he was arrested for possessing food assumed to have been stolen.<sup>416</sup> Messages scrawled on the cell walls of the former Gestapo prison in Cologne indicate that forced workers, including women, from Ford-Werke were imprisoned there.<sup>417</sup>

#### 7.6.4. Living Conditions

There is little available contemporaneous information on the living conditions of forced workers at Ford-Werke beyond scattered references in a few documents. The earliest information is found in statements made by Schmidt during his 1943 trip to Portugal. According to Ford of Portugal Manager Guilherme Nadal, Schmidt said that "French, English and German was being taught when the men are off duty."<sup>418</sup> During the board of advisors meetings in July 1943, Schmidt said that "[m]aternity wards, homes for infants, and such like are being set up."<sup>419</sup> Wartime financial documents include a reference to "Christmas Bonuses for Eastern Workers" in December 1943, and

<sup>415</sup> HASTK, Acc. 606/8, Cologne Police Reports on Foreigners, November 1949 (HASK 0050-0053); HStAD, BR 2034/VH1/1295-1296 Cologne Police Arrest Reports, 1945; HStAD, NW 174/485 I-VI Police Reports, October 4, 1943. (These documents could not be copied because of German archival privacy restrictions.) The worker arrested for stealing milk was sent to Buchenwald; the workers arrested for stealing clothes were executed.

<sup>416</sup> HStAD, BR 2034/1327, Scheben to Gestapo, February 11, 1945, (HSAD 2259). The worker claimed that he had exchanged a suit for the food. He was sentenced to eight weeks in a labor education camp.

<sup>417</sup> Manfred Huiskes et al., *Die Wandinschriften des Kölner Gestapo-Gefängnisses im El-DE Haus 1943-1945* (Köln: Böhlau-Verlag, 1983), pp. 195, 200-202 and 204.

<sup>418</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832).

<sup>419</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011104; for English translation, see DOJ 0011231).



describe vacation time for Western workers.<sup>420</sup> (See Section 7.6.3.)

Postwar reports prepared for American military investigators or during denazification hearings contain more details. When interrogated by American military personnel, Schmidt stated that “entertainment by cinema, theater, orchestra was granted under Gestapo supervision. Church service was permitted.”<sup>421</sup>

Most records that appear in the postwar denazification files of Ford-Werke employees claim that the foreign workers were relatively well treated.<sup>422</sup> Schmidt stated, “It is obvious that towards displaced persons working at Ford I took the same basic attitude as towards our Fordmen [sic]. They were treated and reasonably clothed and fed as well as possible under the rather severe regulations. Quite often have I violated the law in order to help these persons and ease their fate as much as possible.”<sup>423</sup> Another Ford-Werke employee, H.L., who had been a clerk at the plant from 1936 to 1945 and a member of the Nazi party from 1933 to 1945, said during his hearing that he had treated the foreigners well: “[I] was always working to make their lives as bearable as possible. Thus, I took care of

sporting clothes, equipment and a playing field. In order to raise the sportive interest, I gathered prizes ... I also facilitated matches with German teams.” H.L. also said that he had helped foreign workers from “France, Belgium, the Netherlands, and Italy” to get vacation permits to return home, and he produced letters from two Belgian workers he had helped.<sup>424</sup> The plant physician, Dr. Carl Wenzel, stated that he had improved living conditions for the foreign workers: “[I]t was upon my suggestion and with my assistance that the barracks were built, the workers were accommodated in small numbers in different rooms, even in single rooms; theater performances took place and also sports meetings.”<sup>425</sup> (See Section 7.6.6. for information about Dr. Wenzel’s role in providing medical treatment at the plant during the war, and postwar concerns about wartime abortions.)

Other denazification files report that people from Ford subsidiaries in other parts of occupied Europe donated food, clothes, shoes, soccer equipment and special foods for Christmas celebrations to the foreign workers, including their countrymen and women, at Ford-Werke.<sup>426</sup> In postwar reports, Ford-Werke employees occasionally referred to the camps as “model camps” frowned upon by local and regional Nazi officials.<sup>427</sup> Both Dr. Wenzel and Buchwald said they were criticized by Nazi officials based on the good conditions in the camps.<sup>428</sup> A former worker who was transferred to another company after working at Ford-Werke described the second workplace as better, in part because better food was provided.<sup>429</sup>

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<sup>420</sup> BA-L, R 87/6208, Audit Report by Knipprath for 1943 (BAL 7632). The report lists RM 10,000 for “Christmas Bonus for Eastern Workers.” For monthly reports on expenditures for foreign workers in 1944, see Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890); and IWM,FD 4369/45, Folder B, Stoecker to Ford-Werke foremen, March 11, 1942 (IWM 0000182).

<sup>421</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 20, Memo from Schmidt, July 18, 1945 (NARA 0000083).

<sup>422</sup> HStAD, NW 1049/76620, Über to Schmidt, November 15, 1945 (HSAD 0860-0861).

<sup>423</sup> HStAD, NW 1049/76620, Schmidt Appeal to Review Board, September 10, 1946 (HSAD 0836-0841).

<sup>424</sup> HStAD, NW 1049/23409, Affidavit from H.L., June 6, 1948 (HSAD 2415-2418), L. to Main Committee Denazification, September 30, 1948 (HSAD 2433), Letter by Belgian National to L., March 28, 1947 (HSAD 2425-2426), Letter by Belgian National, December 28, 1948 (HSAD 2428).

<sup>425</sup> HStAD, NW 1048/34/272, Testimony of Wenzel, December 16, 1945 (HSAD 3063).

<sup>426</sup> HStAD, NW 1057/BIII-00843, Testimony of F.B., no date (HSAD 0742-0743), Ellscheid to Court of Appeals, December 22, 1947 (HSAD 0763-0767), Affidavit of Buchwald, November 23, 1947 (HSAD 0771).

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<sup>427</sup> C.E., an assistant to Dr. Wenzel, said that Dr. Wenzel took the initiative and “established the Russian and foreigner camp as a model camp for the entire Gau [party district] Cologne-Aachen.” See HStAD, NW 1048/34/272, Affidavit of C.E. no date (HSAD 2999-3000). H.H., a member of the German socialist party, said that the Ford-Werke Eastern workers’ camp was known as a “model camp beyond the city of Cologne.” See HStAD, NW 1048/34/272, Testimony of H.H., July 30, 1946 (HSAD 3056).

<sup>428</sup> HStAD, NW 1049/46784, Denazification File of Buchwald, 1946-1947 (HSAD 0211-0239). See also HStAD, NW 1048/34/272, Letter from Wenzel, December 16, 1945 (HSAD 3064) and Denazification Main Committee, Interrogation of Wenzel, October 28, 1947 (HSAD 2987-2988).

<sup>429</sup> ELDE, Z10.569, Oral history of I.A., October 15, 1992 (ELDE 0000275-0000297; for English translation, see ELDE 0000527).

### 7.6.5. Food

Foreign workers living in the camp had RM 1.50 a day deducted from their wages for food and lodging.<sup>430</sup> During his June 1943 trip to Portugal, Robert Schmidt reported that the mess room at the plant distributed three types of food rations depending on the physical demands of the work performed by the employees. Schmidt also mentioned that “overtime is partially paid by increased food.”<sup>431</sup> A month later, Schmidt told the board of advisors that the plant had five different kitchens preparing food for the foreign workers, according to their different nationalities. Schmidt also reported to the board that “food was especially prepared for the foreign workers.”<sup>432</sup> The personnel file of a Ford-Werke cook, who was in charge of the workers’ camp food after January 1943, also distinguishes between the “foreigner and Russian kitchen.”<sup>433</sup> According to a 1990s interview with a former worker, conditions in the Western workers’ camp were far better than in the Eastern workers’ camp.<sup>434</sup>

After the war, in discussing the food operations for foreign workers and others at the plant, Vitger said that the canteen had always operated at a loss. He said the canteen lost slightly more than RM 4,000 per month in

1938, and that the monthly losses increased considerably during the war, amounting to nearly RM 25,000 per month. The canteen was providing food for approximately 2,000 foreign laborers in 1944.<sup>435</sup> Records from postwar personnel and denazification files often refer to the rations received by foreign workers. In 1946, the Ford-Werke employee responsible for wartime food purchasing wrote a letter to Vitger claiming that he had provided approximately 3,600 foreign workers with entire days’ meals. (See Section 7.3. and Appendix D for documentation on the numbers of foreign workers at Ford-Werke during the war.) The employee went on to complain that the company counterintelligence officer was taking credit for this accomplishment.<sup>436</sup> During his own denazification procedures, Dr. Wenzel claimed “food supplies were constantly controlled by me, also that the quantities destined for the plant were actually received.”<sup>437</sup> Vitger told the American military investigators that Dr. Wenzel had complained about the diet and hygienic conditions for the foreign workers, and as a result, conditions were changed for the better.<sup>438</sup>

Statements from denazification files report that Russians – children as well as adults – received poor food rations.<sup>439</sup> In an interview conducted in the 1990s, one former Eastern worker recalled that her rations typically consisted of three slices of bread and unsweetened coffee for breakfast, soup made from turnips and flour siftings for lunch, and bread and coffee again for dinner.<sup>440</sup> Another former worker

<sup>430</sup> FMC, AR-98-213546, Box 2, File:History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002046).

<sup>431</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832).

<sup>432</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011104; for English translation, see DOJ 0011230-0011231). Food availability was regulated to some extent by the German government’s food rationing system, which historian Edward Homze describes as “overburdened by a fantastic array of minute regulations dealing with every conceivable occupation and racial group.” See Homze, *Foreign Labor in Nazi Germany*, p. 247.

<sup>433</sup> Ford-Werke Records, Personnel File of R. Z. (FW 0022190).

<sup>434</sup> See ELDE, Z10.613, Oral History of K.F., September 12, 1995 (ELDE 0000216-0000232; for English translation, see ELDE 0000751-0000763). In 1995, K.F., a former forced worker who lived in both the Russian and the French camps at Ford-Werke, described the difference as a contrast between “heaven and earth,” the French camp being far better. Because the French received Red Cross packages, there was coffee there and the food was better, she recalled.

<sup>435</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023 and 0001033).

<sup>436</sup> Ford-Werke Records, Grass to Vitger, July 8, 1946 (FW 0022372-0022378).

<sup>437</sup> HStAD, NW 1048/34/272, Testimony of Wenzel, December 16, 1945 (HSAD 3063).

<sup>438</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo to files by Rains, June 13, 1945 (NARA 0000583).

<sup>439</sup> HStAD, NW 1048/34/272, Report by Korn and Wermelskirchen, December 14, 1947 (HSAD 3009-3010), Denazification Subcommittee 98 to Main Committee, September 19, 1947 (HSAD 2989-2995).

<sup>440</sup> ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000542-0000553).

reported that he received about 300 grams (10.6 ounces, about ⅓ pound) of bread per day but was never given butter, meat or sugar.<sup>441</sup> Several foreign workers remembered that food was in short supply for them while working at the plant.<sup>442</sup>

### 7.6.6. Medical Treatment

The medical treatment of forced and foreign workers received particular attention after the war. Dr. Wenzel oversaw Ford-Werke's health department and was responsible for the foreign and forced workers, supported by Drs. Alwin Kresse and Paul Grouven.<sup>443</sup> Dr. Wenzel employed several nurses in the different camps.<sup>444</sup> Josef Wierscheim, who had been the supervisor of the Eastern workers' camp, described the medical facilities in a December 1945 affidavit for Dr. Wenzel's denazification hearings. He said the medical barracks included an operating room, separate infirmaries for men and women, a maternity area, sufficient quantities of medical instruments and a "first

class dental station equipped with the most modern apparatuses" and a dentist. Wierscheim credited Dr. Wenzel with the establishment of a "modern nursery ... equipped with everything necessary for this purpose and which was an ornament of the camp." Wierscheim said the camp's sanitary facilities were clean, separated for men and women, and equipped with hot and cold running water. "[E]very inmate of the camp could take a bath as often as he liked to do so. ... It must be said to the honour of Dr. Wenzel that he strictly insisted upon the fact that the medical treatment for the east-workers in no way deviated from that for sick German members of the staff."<sup>445</sup>

Two years after the war, Dr. Wenzel was accused of having performed unnecessary abortions on Russian forced workers. The allegations arose after a review of his denazification classification cleared him to resume employment at Ford-Werke. In response to Dr. Wenzel's return on September 15, 1947, the workers' council called for a general strike.<sup>446</sup> Concurrently, the local Denazification Committee initiated a further investigation of Dr. Wenzel's wartime activities. The committee's efforts uncovered a statement by K.S., a former nurse at Ford-Werke, alleging that Wenzel performed abortions on Russian forced workers.<sup>447</sup> In a meeting with members of the Denazification Committee, the Ford-Werke workers' council further asserted that the abortions were performed to maintain productivity and that Dr. Wenzel was more interested in the welfare of the company than the welfare of its work force.<sup>448</sup> Dr. Wenzel adamantly disputed this allegation, claiming in a letter to the Denazification Committee that he had performed abortions on Eastern workers only when there was a medical justification.<sup>449</sup> According to testimony in Dr. Wenzel's denazification hearings, 10 abortions were performed at the camp. Dr.

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<sup>441</sup> ELDE, Z10.569, Oral history of I.A., October 15, 1992. (ELDE 0000275-0000297; for English translation, see ELDE 0000508).

<sup>442</sup> ELDE, Z10.617, Oral history of I.K., September 16, 1995 (ELDE 0000065-0000087; for English translation, see ELDE 0000662); ELDE, Z10.665, Oral history of N.S., September 8, 1998 (ELDE 0000391-0000401; for English translation, see ELDE 0000618).

<sup>443</sup> HStAD, NW 1048/34/272, Translation of report by Wierscheim, December 26, 1945 (HSAD 3089-3092).

<sup>444</sup> A Ford-Werke employee stated that in May 1944 she became Dr. Wenzel's medical technical assistant, responsible for "X-raying and lab work." See Ford-Werke Records, Personnel File of I.H. (FW 0022270-0022272). Another employee stated, "As of 15 June 1943 I was hired by Ford-Werke as a nurse and here I have worked in the foreigners' camp, the dental station and in First Aid." See Personnel File of M.B. (FW 0023266-0023271).

<sup>445</sup> HStAD, NW 1048/34/272, Translation of report by Wierscheim, December 26, 1945 (HSAD 3089-3093). In 1947, three former forced workers from the Eastern camp at Ford-Werke testified in a German affidavit about the care given by Dr. Wenzel. They wrote that he had been their physician since the establishment of the camp and had cared for them well: "He always gave us notifications of illness [sick leave] when necessary. He always cared for our food and accommodation and for every single one of us. He even took with him some Russian women who had been injured by bombs and left them with a farmer so they could recover there. He cured some of our campmates who had been shot by the Gestapo and saved them from being persecuted." See HStAD, NW 1048/34/272, Affidavit of J.M., K.Z. and N.W., November 5, 1947 (HSAD 2964).

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<sup>446</sup> HStAD, NW 1048/34/272, Public Notice from Vitger, September 15, 1947 (HSAD 3013).

<sup>447</sup> HStAD, NW 1048/34/272, Transcript of meeting with K.S., September 14, 1947 (HSAD 3009-3010).

<sup>448</sup> HStAD, NW 1048/34/272, Memo from Workers' Council, October 30, 1947 (HSAD 2949).

<sup>449</sup> HStAD, NW 1048/34/272, Wenzel to Denazification Committee, November 1, 1947 (HSAD 2955-2958).

Wenzel was said to have performed two or three and his assistant, Dr. Kresse, the remainder.<sup>450</sup> Dr. Wenzel insisted that the procedures were not imposed on the foreign female workers, and that it was the women who wanted abortions. Dr. Wenzel stated that he worked to improve the facilities for mothers and children, including the more than 70 healthy babies who were born in the camp.<sup>451</sup> An assistant to Dr. Wenzel, C.E., and a former nurse, J.L., fully supported his statements in various testimonies. They testified that the abortions were performed for medical reasons only, in response to signed applications from the female workers. Both said that Dr. Wenzel provided clean facilities and treatments, and that he provided superior care for pregnant and nursing women.<sup>452</sup>

<sup>450</sup> HStAD, NW 1048/34/272, Cologne Doctors Chamber to Vonessen, November 8, 1947 (HSAD 2953).

<sup>451</sup> HStAD, NW 1048/34/272, Wenzel to Denazification Committee, November 1, 1947 (HSAD 2955-2958). For information on attitudes regarding abortion in Germany during this period, see Atina Grossman, *Reforming Sex: The German Movement for Birth Control and Abortion Reform, 1920-1950* (Oxford: Oxford University Press, 1995), pp. 70-77 and 153-156.

<sup>452</sup> HStAD, NW 1048/34/272, Affidavit of C.E., September 26, 1947 (HSAD 2997-2998), Statement by C.E., no date (HSAD 2999-3000), Testimony by J.L. on behalf of Wenzel, 1947 (HSAD 2960).

<sup>453</sup> HStAD, NW 1048/34/272, Affidavit of J.M., K.Z. and N.W., November 5, 1947 (HSAD 2964). According to historian Ulrich Herbert, on March 11, 1943, the Reich Surgeon General issued an order giving pregnant Eastern workers the right to ask for an abortion if they so wished, so long as they had sought an expert opinion from the local General Medical Council. See Herbert, *Hitler's Foreign Workers*, p. 270. In the former workers' 1947 affidavit, the women said that they learned of this on their own: "When we were in the camp we found out that we could file a claim for an abortion when we got pregnant." In a separate statement in support of Dr. Wenzel, Dr. Kresse wrote that neither he nor Dr. Wenzel informed the Eastern workers that Nazi regulations permitted abortions. "On the contrary, the Russian women learnt this possibility very quickly from other camps and ... implored us with tears to perform the interruptions in our camp hospital, stating that we are allowed to do this ..." Dr. Kresse also described how Eastern workers obtained approval for abortions: Applications were filled out by the women, acting on their own, and were then passed on by Dr. Wenzel to the Chamber of Physicians. The applications were returned to the camp with the chamber's decision. The normal procedure, established by the Nazis for Eastern women, was that they would be treated by a doctor in town who performed abortions without any anesthetic, so all the women wanted to be treated by Dr. Wenzel. See same source, Declaration by Dr. Alwin Kresse to German Denazification Review Board, September 26, 1947 (HSAD 3001-3002; for English translation, see HSAD 3005-3006).

This notion was supported by a 1947 affidavit from three former Eastern workers. Responding to the criticism of Dr. Wenzel, they wrote that it was a "great lie" to say that he had performed abortions on Russian women so that pregnancy would not keep them from working, or that he had performed abortions because the Nazis ordered him to do so. According to the affidavit, many pregnant women applied for abortions because of their situation: Despite the facility improvements made by Dr. Wenzel, there were still many women who did not want to give birth in the camp. The affidavit by the former workers said that Dr. Wenzel performed abortions only for the few women who were very sick and would not survive childbirth. The former workers said that they never saw any signs of orientation to Nazi policy in his approach.<sup>453</sup>

The investigation into Dr. Wenzel's wartime activities continued through the end of 1947 and into 1948. In a November 1947 letter to the local health office, the Cologne Doctors' Chamber questioned Dr. Wenzel's claim that the abortions were medically necessary. It suggested that the large number of abortions was due to either racial motives and efforts to keep up productivity, or to a desire to alleviate the difficult position of the pregnant women.<sup>454</sup> After reviewing the evidence presented, the Cologne Employment Committee issued a statement on April 13, 1948, reaffirming Dr. Wenzel's denazification status and his right to reinstatement at Ford-Werke.<sup>455</sup>

Regarding deaths at the plant during the war, the names of about 15 foreigners from Ford-Werke appear on the Cologne wartime death lists that still exist, but without any indication as to the cause of death. Five were children who died during the period from July through September 1944. Among the five were three babies who died in September. In November 1944, four foreigners of unknown age,

<sup>454</sup> HStAD, NW 1048/34/272, Cologne Doctors Chamber to Vonessen, November 8, 1947 (HSAD 2953).

<sup>455</sup> HStAD, NW 1048/34/272, Memo from van de Sandt, April 15, 1948 (HSAD 3100-3103).

including twin sisters, died at Ford-Werke.<sup>456</sup> Wierschein, the security chief for the Eastern workers' camp, said, "As far as I know, during the whole time in which the camp existed, about 18-20 persons only died, 8 of them for unnatural reasons, i.e., one of them was killed by his own compatriots, 4 were killed by air-raid attacks (2 of them on account of their own fault, because they handled with [sic] explosives). Three others drunk [sic] denatured spirits [alcoholic substances unfit for drinking, but usable as antifreeze or solvents] as a consequence of which they died."<sup>457</sup>

During the air attack in October 1944, the plant was targeted, and the foreign workers' camp sustained most of the damage.<sup>458</sup> German reports indicate that an

unexploded bomb landed in one of the sites, and 30 people had to be evacuated from a barracks.<sup>459</sup> According to one former forced laborer, some foreign laborers were killed during air raids.<sup>460</sup> (See Section 7.6.2. for information about air raid shelters at the camp.)

## 7.7. Slave Labor from the Buchenwald Concentration Camp

In addition to Eastern workers, Western workers and Italian POWs, Ford-Werke utilized slave labor from the Buchenwald concentration camp. The camp was established in 1937 for political prisoners, clergy, homosexuals, handicapped persons, "criminals" and people deemed "asocial" by the Nazis. Buchenwald labor was employed to support the German war economy, both in and around the camp in Thuringia and in satellite camps, or subcamps, scattered all over Nazi Germany.<sup>461</sup> The first Cologne Buchenwald satellite camp was established on the city fairgrounds in September 1942. The prisoners were deployed for construction and clearance work.<sup>462</sup> Oral histories suggest that a few men from one of the construction brigades may have worked at Ford-Werke before a satellite camp was established at the plant in August 1944.<sup>463</sup>

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<sup>456</sup> HASTK, Acc. 5/184, List of Russians Buried in West Cemetery, October 15, 1945 (HASK 0125-0136); HASTK, Acc. 1231/1, List of Russians Buried in West Cemetery, no date (HASK 0163-0171); HASTK, Acc. 606/26, Death Certificates, August 31 and September 14, 1949 (HASK 0182-0183); HASTK, Acc. 606/21, ITS Documentation of Russians Buried in West Cemetery, April 10 - May 2, 1951 (HASK 0186-0192); HASTK, Acc. 606/17, Alphabetical List of Foreigners buried in Cologne, no date (HASK 0205-0278); HASTK, Acc. 100, List of foreigners buried in Cologne, no date (HASK 0292-0299). It is difficult to determine the exact number of foreigners who died at Ford-Werke because the lists did not always indicate where the foreigners lived and often misspelled their names. Also, after September of 1944, ages were not specified on the death lists. According to a 1996 oral history interview with a former Eastern worker, a woman died of tuberculosis and two boys were killed by shrapnel. The former worker also recalled that a girl who died in the camp seemed to be homesick; she sat around, didn't eat and was always sad. See ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000562-0000564). A 1996 interview with another former worker indicated that a Russian boy about 18 months old died of meningitis in the camp. See ELDE, Z10.623, Oral history of A.O., September 13, 1996 (ELDE 0000474-0000497; for English translation, see ELDE 0000592).

<sup>457</sup> HStAD, NW 1048/34/272, Translated report by Wierschein, December 26, 1945 (HSAD 3091). According to a 1999 interview with a former Ford-Werke employee who had been assigned to work with the Italians, an Italian worker died of tuberculosis on Christmas Day 1944, and a Russian died of drinking printing alcohol. See FMC, Interview with Emilia Müller, December 9, 1999 (FMC 0018405, FMC 0018427 and FMC 0018440). Another former forced laborer recalled that a young girl was killed when a bomb was dropped on the Russian camp. See ELDE, Z10.618, oral history of K.N.P., September 13, 1995 (ELDE 0000411-0000439; for English translation, see ELDE 0000697).

<sup>458</sup> NARA RG 243, Entry 27, Box 34, File: III a (600) 1, Interpretation Report S.A. 2847, October 19, 1944 (NARA 0005233).

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<sup>459</sup> HStAD, BR 1131/115, Air Raid Safety Daily Report, October 23-24, 1944 (HSAD 1990-1993).

<sup>460</sup> ELDE, Z10.623, Oral history of A.O., September 13, 1996 (ELDE 0000474-0000497; for English translation, see ELDE 0000594).

<sup>461</sup> Christian Zentner and Friedemann Bedürftig, eds., *The Encyclopedia of the Third Reich*, vol.1 (New York: Macmillan, 1991), pp. 118-19.

<sup>462</sup> HStAD, Rep. 118/1174, Memo from Central Authority for the handling of Nazi mass crimes in concentration camps, May 29, 1968 (HSAD 2562); NARA, RG 238, Entry 174, Box 33, NO-1578, Affidavit of Karl Sommer, February 27, 1947 (NARA 0007433-0007435; for English translation, see NARA 0007440-0007442). Originally, concentration camp labor was made available only for enterprises run by the SS. After August or September 1942, a construction unit was created to repair bomb damage. Of the five commandos with the designation "Construction Brigades," one was stationed in Cologne. Construction brigades included about 1,000 men.

<sup>463</sup> ELDE Z20.530, Oral history of V.L., October 2, 1990 (ELDE 0000942); ELDE, Z10.614, Oral history of K.T., September 13, 1995 (ELDE 0000111-0000126; for English translation, see ELDE 0000795); ELDE, Z10.559, Oral history of F.W., September 25, 1990 (ELDE 0000365-0000390; for English translation, see ELDE 0000917); ELDE, Oral history of M.G., August 28, 1993 (ELDE 0000961-0000963).

The automotive industry did not become eligible for the use of concentration camp inmates until late in the war. In a meeting of the armaments ministry staff on August 1, 1944, Minister Albert Speer emphasized the importance of the automobile industry to the war effort and announced that due to the labor shortage, 12,000 concentration camp prisoners would be sent to work at automobile plants over the next several weeks.<sup>464</sup> On August 10, 1944, Wilhelm Schaaf, head of the Automotive Industry Economic Group, chaired a meeting of the Main Automobile Committee where there was further discussion about the use of concentration camp prisoners by the various automobile manufacturers and suppliers. Schaaf said that recent bombing raids had added to the difficulties of the German automotive industry. Due to the seriousness of the situation, he said, production levels at automotive companies, including Ford-Werke, “must be maximized.” Schaaf stated, “The most acute problem, namely labor acquisition, has been solved for the time being by the provision of concentration camp inmates.”<sup>465</sup> Robert Schmidt and Alfons von Gusmann

of Ford-Werke were among the automotive industry representatives in attendance at that meeting.<sup>466</sup>

On the same day that Schmidt and von Gusmann attended the Schaaf meeting, the main Buchenwald concentration camp prepared a list of 50 prisoners to send to Ford-Werke.<sup>467</sup> Included in the group of prisoners deployed to Ford-Werke were Russian and Czech political prisoners, Poles, and two Germans, one of whom was described as a “criminal” and the other as “work shy.” Among them were carpenters, bricklayers, a painter, a tailor, a cabinet maker, plumbers, electricians, agricultural workers, shoemakers, a barber and a nurse.<sup>468</sup> Their first day of work was August 13, 1944.<sup>469</sup>

Buchenwald transfer lists show that at least 65 different men were assigned to the Ford-Werke satellite camp at one time or another, and that several were transported elsewhere or fled from Ford-Werke and

<sup>464</sup> BA-F, RL 3/9, Report on Armaments Staff Conference, August 1, 1944 (BAF 1356).

<sup>465</sup> BA-L, R 3/288, Main Committee Meeting Minutes, August 21, 1944 (BAL 0896). The minutes indicate that special committee leaders were responsible “for making sure that firms are not assigned all bad workers.”

<sup>466</sup> BA-L, R 3/288, Main Committee Meeting Attendance and Distribution Lists, August 10, 1944 (BAL 0898).

<sup>467</sup> NARA, RG 238, Entry 174, Box 17, NO-718, Circular from Inspectorate of Concentration Camps, November 28, 1941 (NARA 0007378-0007380; for English translation, see NARA 0007381-0007383). Although no records were found to document Ford-Werke’s application for concentration camp labor, companies wishing to employ concentration camp prisoners were to apply to the Inspectorate of Concentration Camps. The SS Chief of Protective Custody then would examine the workplace, determine how many guards would be needed and discuss with the firm the numbers and professions of inmates required, pay rates, whether one warm meal per day would be provided, transportation and duration of employment. If the Inspectorate approved, the inmates were sent to the workplace. In April 1942, the Inspectorate was annexed to the SS Economic and Administrative Main Office. SS officials later confirmed that concentration camps were told to supply inmates requested by private companies, provided that Albert Speer’s Ministry of Armaments and War Production had approved; see, for example, NARA, RG 238, Entry 174, Box 52, NO-2739, Affidavit of Karl Sommer, April 8, 1947 (NARA 0007389; for English translation, see NARA 0007393) and Box 33, NO-1578, Affidavit of Karl Sommer, February 7, 1947 (NARA 0007445).

<sup>468</sup> HStAD, Rep. 118/1179, Transport Köln (Ford), August 10, 1944 (HSAD 0175-0176); ThHStAW, List of Buchenwald concentration camp prisoners, no date (HSTH 0017-0034).

<sup>469</sup> B-AK, IV 406 AR 85/67, Gergel to the Labor Deployment Office at Buchenwald (BAK 0359). In a report to the main concentration camp at Buchenwald, Ford-Werke camp commandant Gergel recounted the work assignments of Ford-Werke’s Buchenwald workers between August 13, their first day of work, and August 19, 1944. Entries for the first three days indicate that all 50 inmates were involved in concrete and transportation work. From that point, the men were divided into groups according to skill. There were 10 skilled workers, including masons and carpenters, and 40 unskilled workers. The men apparently arrived in Cologne on August 12, 1944. Beginning on that date, according to the Gergel report, the Cologne city kitchen allotted all 50 workers the standard concentration camp inmate meal ration plus a heavy-labor bonus. Another wartime document, ThHStAW, KZuHaftA/9, List of Satellite Camps (HSTH 0074), contains information about the camp known as Köln-Ford in August 1944. See also BA-L, NS 4/268, Work Assignment lists for August 20-29, 1944 (BAL 12529-12530); and Martin Weinman, ed., *Das nationalsozialistische Lagersystem* (Frankfurt: Zweitausendeins, 1990), p. 146.

<sup>470</sup> ThHStAW, NS 4/134, Work Statistics for K.L. Buchenwald, November 3, 1944 (HSTH 0002-0004); ThHStAW, NS 4/136a & 136b, Inmate Transfer Lists, no date (HSTH 0012-0016); ThHStAW, NS 4/136b, Inmate Transfer List, no date (HSTH 0083); ThHStAW, NS 4/136a Inmate Transfer Lists, September 4, 1944 (HSTH 0086), October 14, 1944 (HSTH 0087), November 1944 (HSTH 0090) and January 6, 1945 (HSTH 0093). Among the prisoners transported from Buchenwald to the Ford-Werke camp on November 3, 1944, were a French mechanic, an Italian mechanic and a Belgian student. See ThHStAW, KZuHafta/2, List of Buchenwald concentration camp prisoners, no date (HSTH 0026, HSTH 0028 and HSTH 0034).

new prisoners brought in to replace them.<sup>470</sup> Most documentation from the period indicates that there were 50 or fewer Buchenwald inmates at Ford-Werke at any given time from August 1944 through the end of February 1945.<sup>471</sup> A 1944 list of Buchenwald satellite camps designates “Ford-Köln” with a capacity of 50 prisoners.<sup>472</sup>

The SS Economic and Administrative Main Office controlled the use of concentration camp prisoner labor and fixed their wages. The company that employed the prisoners was responsible for their working conditions, lodging, food and hygiene. According to a postwar affidavit of Karl Sommer, a Nazi official who worked in the office responsible for concentration camp labor, the prisoners did not receive any wages. The various plants paid the money to the concentration camp inspectorate’s administrative office, from where it was

collected for the Reich treasury. Beginning in spring 1943, companies paid wages of RM 4 per day for unskilled workers and RM 6 per day for skilled labor.<sup>473</sup> In addition, companies were expected to hand directly to the prisoners “a so-called ‘achievement bonus’” for work in excess of the prescribed wages.<sup>474</sup> Companies were allowed to deduct food and housing expenses from their wage payments to the Reich Treasurer.<sup>475</sup>

The SS rules stipulated that the prisoners’ working hours were not to exceed those of civilian workers. Sommer said in his affidavit that this was only in theory and was decided upon locally by the employing companies.<sup>476</sup> The satellite camps provided the main concentration camps with daily, weekly and monthly information on the deployment of the work details.<sup>477</sup>

Prisoners worked in various areas of Ford-Werke and offsite, guarded by 16 SS men.<sup>478</sup> Buchenwald records for Ford-Werke show that in November 1944, unskilled laborers were assigned to work for two construction

<sup>471</sup> During a 1946 interrogation, the Nazi government official charged with the allocation of concentration camp labor listed Ford-Werke as having “approximately 500” prisoners from Buchenwald. See NARA, RG 238, Microfilm T-301, Roll 10, NI-1065, Affidavit of Karl Sommer, October 4, 1946 (NARA 0006934). No other source was found indicating such a high number. However, 500 is the number of civilian workers transferred from Ford-Werke to a dispersal camp established by Ford-Werke at Duemlinghausen in March 1945; see Weinman, *Das nationalsozialistische Lagersystem*, p. 407.

<sup>472</sup> ThHStAW, NS 4/31, List of Satellite camp capacity, 1944 (HSTH 0095). According to Daily Work Assignment sheets for November 1944, the work detail consisted of between 43 and 50 men; see AGB, NS 4/29; Microfilm 32, Labor Assignment Cards, November 1944 (BW 0001-0064).

<sup>473</sup> NARA, RG 238, Entry 174, Box 52, NO-2739, Affidavit of Karl Sommer, April 8, 1947 (NARA 0007390; for English translation, see NARA 0007394), Box 33, NO-1578, Affidavit of Karl Sommer, February 27, 1947 (NARA 0007438-0007439; for English translation, see NARA 0007445); NARA, RG 238, Microfilm T-301, Roll 5, NI-382, Affidavit of Oswald Pohl, August 5, 1946 (NARA 0007410; for English translation, see NARA 0007422). According to financial reports from the SS, in December 1944, the Buchenwald camp requested an invoice to be sent to Ford-Werke for RM 5,220 for the month of November based on 1,305 unskilled workdays billed at a daily rate of RM 4; see NARA, RG 238, Microfilm T-301, Roll 31, NI-4181, Buchenwald Concentration Camp Commandant Office, Bills for November 1944, December 8, 1944 (NARA 0007294 and 0007300; for English translations, see NARA 0007303 and 0007307). A total of RM 6,352,137 was requested to be billed to 95 companies as their cost of Buchenwald prisoner labor for November 1944. See NARA, RG 238, Entry 171, Microfilm T-301, Roll 31, NI-4181, Bills from Buchenwald Commandant to SS Chief Economics Administrative Office (NARA 0007295 and 0007300; for English translations, see NARA 0007303 and 0007307).

<sup>474</sup> NARA, RG 238, Entry 174, Box 33, NO-1578, Affidavit of Karl Sommer, February 27, 1947 (NARA 0007435; for English translation, see NARA 0007442-0007443).

<sup>475</sup> NARA, RG 238, Microfilm T-301, Roll 5, NI-382, Affidavit of Oswald Pohl, August 5, 1946 (NARA 0007422). Private industry generally deducted two-fifths of the wages due to the Reich to cover “payment in kind,” i.e. food, lodging, etc. Pohl said that in light of the inadequate payment in kind, the deduction of two-fifths must be regarded as much too high, and the labor provided by the concentration camp prisoners for private industry was very cheap.

<sup>476</sup> NARA, RG 238, Entry 174, Box 33, NO-1578, Affidavit of Karl Sommer, February 27, 1947 (NARA 0007435; for English translation, see NARA 0007442-0007443).

<sup>477</sup> For examples from Ford-Werke, see AGB, NS 4/29; Microfilm 32, Labor Assignment Cards, November 1944 (BW 0001-0064). According to Buchenwald records, Ford-Werke and some other satellite camps did not file all the required reports. Ford-Werke was listed as having failed to file reports for the month of December 1944 and the first three weeks of February 1945. The daily reports contained the numbers of workers, the type of work, the start and the end of the workday and the lunch break given to the prisoners. They were signed by the commander of the satellite camp and co-signed by a representative of the firm. See ThHStAW, NS 4/229, Labor assignment lists, October 1944-February 21, 1945 (HSTH 0007-0011); and NARA, RG 238, Entry 174, Box 42, File: NO-2125, Affidavit of Albert Schwartz, February 19, 1947 (NARA 0007397-0007398; for English translation, see NARA 0007403).

<sup>478</sup> *Zwangsarbeit bei Ford. Eine Dokumentation, Projektgruppe “Messelager” im Verein EL-DE Haus e.V. Köln*, eds. (Köln: Betrieb Rode-Stankowski, 1996), p. 32.

companies in Cologne and that prisoners were also used by the city for clearing bombs. The prisoners built concrete air raid shelters and did transport work at Ford-Werke.<sup>479</sup> In a 1990 interview, F.W., a Buchenwald prisoner who worked at Ford-Werke in the fall of 1944, remembered using cranes to unload barges and load trains.<sup>480</sup> Another Buchenwald prisoner at Ford-Werke, K.T., recalled in 1995 that a few inmates worked inside the plant, welding or painting vehicles. K.T. said that he and most of the others in his Buchenwald group performed outside labor, including packing and dockside loading, at Ford-Werke.<sup>481</sup>

Reports differ concerning the number of hours worked by Buchenwald inmates at Ford-Werke. According to the Buchenwald work assignment records for November 1944, the prisoners worked for five days, from 7 a.m. to 5 p.m., with a break from 12:30 p.m. to 1 p.m. On the sixth day, the men worked for six hours, from 7 a.m. to 1 p.m., without any break. The following day, the men worked from 7 a.m. to 3:30 p.m., with a break from 12:30 p.m. to 1 p.m. After the seventh day, another cycle would begin, starting with five 10-hour days.<sup>482</sup> M.G., a former inmate at the Buchenwald satellite camp at Ford-Werke, recalled a different work schedule. In an interview conducted in the 1990s, M.G. remembered working 12-hour days in production at Ford-Werke, from 6 a.m. to 6 p.m. He also said the break was 15 minutes long, during which time the Buchenwald laborers did not receive any food.

However, K.T.'s recollection was that "[t]he people from Ford were very good to us ... We got a lot of soup there, bread too, but not so much."<sup>483</sup>

The prisoners from Buchenwald lived in barracks some 70 to 100 meters (77 to 109 yards) away from the plant. M.G. remembered the barracks as being clean, green in color and fenced in. The guardroom, the kitchen, the toilet and the washroom were at the center. The men slept in three-tiered bunk beds. He did not recall the SS guards as brutal but as "very precise and strict." According to M.G., the food for the inmates at Ford-Werke was even worse than what he had received at Buchenwald. Breakfast consisted of coffee and 200 grams (about 7 ounces) of bread, while dinner was either spinach with three potatoes or soup of white-beet leaves.<sup>484</sup>

Records show that five concentration camp inmates assigned to the Ford-Werke satellite camp fled the camp in 1944.<sup>485</sup> Prisoner Number 51506 died at age 43 in October 1944, while working at Ford-Werke. He was a bricklayer of Czech nationality. He had arrived at Buchenwald on July 21 and was brought to Ford-Werke with the first group of Buchenwald prisoners on or about August 13.<sup>486</sup> During November 1944, one of the men was reported sick during the entire period. One to three others were always listed as "in need of rest" [schonungskrank] during that period.<sup>487</sup>

<sup>479</sup> AGB, NS 4/29, Microfilm 32, Labor Assignment Cards, November 1944 (BW 0001-0064).

<sup>480</sup> ELDE,Z10.559,Oral history of F.W.,September 25,1990 (ELDE 0000365-0000390; for English translation, see ELDE 0000917).

<sup>481</sup> ELDE,Z10.614,Oral history of K.T.,September 13,1995 (ELDE 0000111-0000126; for English translation, see ELDE 0000795).

<sup>482</sup> AGB, NS 4/29: Microfilm 32, Labor Assignment Cards, November 1944 (BW 0001-0064).

<sup>483</sup> ELDE, Oral history of M.G., August 28, 1993 (ELDE 0000966-0000970). M.G. provided some precise information about the Buchenwald satellite camp at Ford-Werke, including the names of the SS commander and certain foremen at Ford-Werke. However, he stated that he and a contingent of 50 workers arrived at Ford-Werke in September 1943, while the Buchenwald transportation lists indicate that he arrived in August 1944. See also ELDE, Z10.614, Oral history of K.T., September 13, 1995 (ELDE 0000111-0000126; for English translation, see ELDE 0000795).

<sup>484</sup> ELDE, Oral history of M.G., August 28, 1993 (ELDE 0000936-0000970).

<sup>485</sup> ThHStAW, NS 4/36a, Inmate Transfer Lists, September 14, 1944, November 14, 1944, November 28, 1944 (HSTH 0085, HSTH 0091, HSTH 0093). The lists show that one inmate from Ford-Werke was among three Buchenwald prisoners who fled from Cologne camps on September 14, 1944; the origin of the other two prisoners could not be determined from the lists. Another Ford-Werke Buchenwald inmate fled on November 14, 1944; three more fled on November 28.

<sup>486</sup> ThHStAW, NS 4/136a, Inmate Transfer List, October 1944 (HSTH 0087); HStAD, Rep. 118/1179, Transport Köln (Ford) August 10, 1944 (HSAD 0175); ThHStAW, KzuHaftA/2, Buchenwald Prisoner Number Registry, p. 418, no date (HSTH 0027). The October 1944 Transfer List shows the date of death of prisoner 51506 as October 13, 1944, while Buchenwald Registry shows his date of death as October 6, 1944. Both are Buchenwald records but were maintained separately. The records do not indicate the cause of death.

<sup>487</sup> AGB, NS 4/29: Microfilm 32, Labor Assignment Cards, November 1944 (BW 0001-0064).



On February 27, 1945, shortly before the American army liberated Cologne, 48 concentration camp inmates were transferred elsewhere from the Ford-Werke satellite camp. Buchenwald transfer lists show that one prisoner fled from Ford-Werke on March 6, 1945, the day the American army took Cologne.<sup>488</sup> A memo from the Labor Statistics Office of the Concentration Camp Buchenwald to the Prison Bureau, dated March 8, 1945, indicated that a group of men was being assembled at Buchenwald to be sent to Cologne. Thirty-six of the men had been part of the original Ford-Werke work detail. However, the memo specified that the men were to remain at Buchenwald “until further notice.”<sup>489</sup> There is no indication that the transport ever left for Cologne. On April 10, 1945, Buchenwald was liberated.<sup>490</sup>

## 7.8. Liberation at End of War

When American army units arrived at the Ford-Werke plant in March 1945, they found foreigners living on the factory grounds, although it is not clear how many had worked at Ford-Werke and how many had just taken shelter at the plant during the fighting. One of the earliest U.S. Army reports, based on a visit

on March 10, 1945, estimated that “500 foreign workers were living in the factory, mainly in the large air-raid shelter ... Living conditions were foul in the extreme and most of the Russian women were reported to be suffering from V.D.” This report is the only one to mention a reported outbreak of venereal disease. Others referred to the typhus that was rampant in Cologne.<sup>491</sup> Military accounts written over the next few days reported between 300 and 400 foreigners at the plant, most of whom were Italians. On March 22, 1945, Maj. F.N. Arnoldy filed a plant report with the U.S. Strategic Bombing Survey stating: “I found presence of foreign workers such as Russians, Poles, Belgians, French, Czech and Dutch. Several hundred workers of both sexes were gathered in a large room of the air-raid shelter.”<sup>492</sup> C.E., an assistant to plant physician Dr. Wenzel, claimed that Dr. Wenzel had established a refuge in the air raid shelter: “During the fighting for Cologne Dr. Wenzel gathered his orderlies around him and in a never-tiring effort he cared for the remaining foreigners, app. 60 in number, as well as approximately 400 Italians.” She also claimed that Dr. Wenzel performed operations during this time.<sup>493</sup> Foreign workers found in Cologne were sent to nearby “displaced-persons” camps operated by the U.S. Army.<sup>494</sup>

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<sup>488</sup> ThHStAW, NS 4/136a & 136b, Inmate Transfer Lists, 1944-1945 (HSTH 0012 and 0014).

<sup>489</sup> ThHStAW, NS 4, 135, Work Statistics at Buchenwald, March 8, 1945 (HSTH 0005-0006).

<sup>490</sup> Snyder, *Encyclopedia of the Third Reich*, p. 44.

<sup>491</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, C.I.O.S. Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945, document date March 23, 1945, (NARA 0005652-0005656). Regarding reports of typhus outbreaks and other health and sanitary problems in Cologne during this period, see NARA, RG 331, Entry 54, Box 151, File: 17.11, Historical Report, First U.S. Army, March 1945 (NARA 0005265-0005270); RG 338, Entry 42389, Box 3, File: 15<sup>th</sup> Daily Reports 9 Mar-12 May '45, E1H2 Daily Report No. 3, March 12, 1945 (NARA 0004880-0004881); RG 407, Entry 427, Box 1780, File: 99/12-5 March 1945, 12 Army Group Civil Affairs and Military Government Summary No. 289, March 22, 1945 (NARA 0004566); RG 407, Entry 427, Box 15063, File: 603-2.1, IPW Report, March 6, 1945 (NARA 0005325); and RG 331, Entry 54, Box 151, File: 17.11, G-5 Summary No. 281, March 14, 1945 (NARA 0004929-0004930). Another allegation from the March 10 visit was that foreign workers were responsible for the destruction and disorder that American troops found on their arrival. However, reports from later visits concluded that Ford employees, Germans as well as foreigners, had been locked in the basement and were allowed out only under supervision. According to these reports, papers and spare parts had been strewn about the plant by the shelling and by unsupervised collection activities of the troops. See WNRC, Acc.

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299-68A-0243, Box 540, File: File 43, Roebuck to North Rhine Military Government, December 15, 1945 (DOJ 0010199-0010200); NARA, RG 331, Entry 54, Box 151, File: 17.11, Historical Report, First U.S. Army, March 1945 (NARA 0005287); and NARA, RG 338, Entry 41919, Box 53, File: 12 April-29 April 1945, E1H2 Daily Summary, April 30, 1945 (NARA 0004660). Reporting on later visits to the plant, U.S. military investigators wrote that the Eastern Europeans “were astonishingly well behaved ... while German farmers said the Eastern workers were stealing their chickens, breaking into their homes and helping themselves to necessities, and German middle-class people said that the Russians were animals, German complaints were a mixture of hypocrisy, impudence and subtle propaganda.” See Historical Report, (NARA 0005266-0005267).

<sup>492</sup> NARA, RG 338, Entry 42389, Box 3, File: 15<sup>th</sup> Daily Reports 9 Mar-12 May '45, Detachment E1H2 Daily Report No. 3, March 12, 1945 (NARA 0004880-0004881); NARA, RG 331, Entry 54, Box 151, File: 17.11, Historical Report, First U.S. Army, March 1945, p. 393 (NARA 0004930); NARA, RG 243, Entry 6, Box 687, File: 77a19 2 of 3, Preliminary Investigation of German Industries West of the Rhine, March 23, 1945 (NARA 0004498).

<sup>493</sup> HStAD, NW 1048/34/272, Affidavit by C.E., no date (HSAD 2999-3000).

<sup>494</sup> Billstein and Illner, “You are now in Cologne. Compliments.” pp. 161-174.



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## Section 8

# FORD-WERKE'S RELATIONSHIP WITH OTHER FORD FACILITIES IN OCCUPIED EUROPE

When German forces overran the Netherlands, Belgium, Luxembourg and France in a six-week campaign in May and June 1940, their victory gave them control of all the strategic industrial productive capacity of Western Europe. Soon afterward, Robert Schmidt was appointed the commissioner for all Ford properties in the occupied countries of Belgium, France and Holland.<sup>495</sup> After the U.S. entry into the war, all of these subsidiaries were placed under the control of the Reich Commissioner for the Treatment of Enemy Property, who appointed Ford-Werke personnel as custodians to oversee operations.<sup>496</sup> Ford-Werke also had ties to Ford subsidiaries in other occupied countries, including Denmark and Greece, as well as those in countries that were German allies during the early part of the war, such as Hungary, Romania, Italy and Finland. According to wartime intelligence reports

and postwar investigations of the firm, Ford-Werke coordinated the production of Ford vehicles throughout occupied Europe.<sup>497</sup>

### 8.1. Ford of France

When France declared war on Germany in September 1939, Ford Motor Company held majority ownership in Ford S.A.F. (Ford of France).<sup>498</sup> Ford of France's operations, located at sites in Poissy, Asnières, Bourdeaux and Bourges, involved truck assembly and engine manufacture, and its facilities included assembly plants, foundries and machine shops.<sup>499</sup> After the collapse of France in June 1940, the country was divided into a military occupation zone in the north and a quasi-independent French civilian government in the south with its capital at Vichy.<sup>500</sup>

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<sup>495</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (C.E. Sorensen), Albert to Sorensen, July 11, 1940 (FMC 0003146-0003148). For an overview, see Lessmann, "Ford Paris im Zugriff von Ford Köln 1943."

<sup>496</sup> NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945 (NARA 0007104). A postwar summary of activities at Ford's European subsidiaries during the war indicated that by January 1942, the Ford plants in Cologne, France, Holland and Belgium were working interchangeably under the Reich Commissioner, but that "passive resistance in the occupied countries accounted in some instances for a reduction in the total estimated production." See FMC, AR-98-213541, Box 201, European Company Histories, 1940-1946, June 18, 1946 (FMC 0007443).

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<sup>497</sup> NARA, RG 226, Entry 16, Box 946, File: 80648, Ministry of Economic Warfare, Report on Ford Organisation in Continental Europe, June 1944, hereafter MEW Report (NARA 0004396); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, pp. 10-11, September 5, 1945 (NARA 0000012-0000013).

<sup>498</sup> NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945 (NARA 0007104).

<sup>499</sup> NARA, RG 226, Entry 16, Box 946, File: 80648, MEW Report, June 1944 (NARA 0004399). The Poissy plant was still under construction when the Germans occupied France.

<sup>500</sup> Ian Ousby, *Occupation; the Ordeal of France 1940-1944* (New York: St. Martin's Press, 1997), pp. 67-68.

Immediately following the occupation of France, German military occupation authorities appointed Robert Schmidt commissioner of Ford of France facilities. Alfons Streit, Ford-Werke technical director, went to Ford of France to retrieve spare parts for Ford of Belgium. According to Ford of France Managing Director Maurice Dollfus, Schmidt and his assistant, the son of Ford-Werke's chairman, Heinrich Albert, went to the Asnières plant between June 17 and July 5, 1940, and took "the best parts of its valuable stock" for Ford of Belgium and Ford of Holland. During this period, Ford of France began producing three-ton trucks for the German military and was supplying parts to Ford of Belgium and Ford of Holland.<sup>501</sup>

After June 1940, Ford of France could no longer import American or English parts or cars. Accordingly, Ford-Werke developed a "united program" for the exchange of goods and machines between Cologne, Antwerp, Amsterdam and Paris.<sup>502</sup> However, Schmidt reported difficulties in his relations with Ford of France

management. Although Schmidt had been appointed commissioner of the facilities, Dollfus convinced the German authorities in Paris to grant him the authority to manage the French plants independently.<sup>503</sup> In August 1940, Dollfus sent a letter to Ford Motor Company indicating that he had gone to Berlin to meet with Adolph von Schell (Plenipotentiary for Automotive Affairs) concerning Ford of France's position. Dollfus stated that he was working well with Schmidt.<sup>504</sup> Dollfus later reported that despite Schmidt's plans to reorganize Ford European subsidiaries into a single economic unit under German leadership, Dollfus had been successful in keeping Ford of France separate.<sup>505</sup> In a postwar interview, Dollfus said Schmidt had acted "like a pig" in his relations with Ford of France.<sup>506</sup>

In January 1941, Schmidt resigned his position as Ford of France commissioner. He later attributed the resignation to his frustrations with the "passive resistance" of the French management.<sup>507</sup> Under orders of the German military government in France, a Ford-

<sup>501</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 203, Memo by Schmidt on custodian of Ford Enterprises France, June 25, 1945 (NARA 0000475-0000476); NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945 (NARA 0007104); HFM, Acc. 6, Box 321, File: 1940 Correspondence, Dollfus to Edsel Ford, November 27, 1940 (HFM 0001457).

<sup>502</sup> HFM, Acc. 6, Box 321, File: 1940 Correspondence, Albert to Edsel Ford, September 18, 1940 (HFM 0001470-0001471).

<sup>503</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011119-0011120; for English translation, see DOJ 0011222).

<sup>504</sup> HFM, Acc. 6, Box 321, File: 1940 - Cologne, Dollfus to Edsel Ford, August 31, 1940 (HFM 0000124).

<sup>505</sup> HFM, Acc. 6, Box 321, File: 1940 Correspondence, Dollfus to Edsel Ford, November 27, 1940 (HFM 0001457-0001459). In a 1960 interview with historian Mira Wilkins, a former employee of Ford of France said that a person in Dollfus' shoes had to be careful: "As a French citizen Dollfus was obligated to oppose the Germans, as a Ford man he was under obligation to cooperate with Cologne to protect the assets. After the war Dollfus was in jail a week or two. Feelings were running high against anyone who had worked with the Germans, but Dollfus was just as good a Frenchman as anyone else." Another former Ford of France employee, also interviewed by Mira Wilkins in 1960, said that Dollfus was released without a trial and later received an award from the French government for his work during the war. See FMC, AR-98-213542, File: Oral Reminiscence conducted by Mira Wilkins, Jules Gutzeit Interview, July 20, 1960 (FMC 0017366-0017367) and Marcel Cola Interview, July 13, 1960 (FMC 0017359-0017360).

<sup>506</sup> HFM, Acc. 880, Box 6, File: France, Interview with Maurice Dollfus, September 13, 1960 (HFM 000868). In a 1947 letter to Ford executive Russell Roberge, Dollfus wrote that Schmidt tried and sometimes succeeded in taking away machinery, parts and even whole vehicles, sometimes without providing receipts. Dollfus called Schmidt tactless and said that he acted with "a total disdain of both normal standards and Ford routine." Dollfus also recounted an attempt by Schmidt to rid the French company of Dollfus in 1943, a move that Dollfus believed would have endangered, at the very least, Dollfus' freedom. See HFM, Acc. 713, Box 4, File: Correspondence - Foreign - Cologne - Personnel 1946-1948, Dollfus to Roberge, December 16, 1947 (HFM 0003128).

<sup>507</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011119; for English translation, see DOJ 0011222). Dollfus and Ford of France came under the scrutiny of the U.S. government. In a 1943 report summarizing an investigation by the Treasury Department, Dollfus was described as having "worked with the German Authorities so successful [sic] that he substantially superseded his colleagues of the Ford Motor Company of Germany [Schmidt]." Primarily during the period after Schmidt's resignation, Dollfus built the production of Ford of France "higher than it ever had been in peacetime, supplying trucks and parts to the German Army," according to the report. See NARA, RG 131, Entry 247, Box 131, Ford - Confidential, Report of Investigation of Ford, Société Anonyme Française; Machinery Suppliers, Inc.; Matford S.A.; Fordair S.A., by J. John Lawler, hereafter Lawler Report, pp. 63-64, circa 1943 (NARA 0001460-0001461); and NARA, Franklin D. Roosevelt Presidential Library, Morgenthau Diaries, vol. 637, pp. 212-223, Randolph Paul to Secretary of the Treasury Henry Morgenthau, May 25, 1943 (NARA 0004944). See Sections 9.2., 9.3. and 9.5. for more about this investigation.

Werke employee remained at Ford of France.<sup>508</sup> Later that summer, Ford of France sold the facility at Asnières.<sup>509</sup> In March 1942, George Lesto, assistant manager of Ford of France, reported that the Poissy plant was producing trucks for the German army.<sup>510</sup> In March and April 1942, the Poissy facility was bombed by the British Royal Air Force.<sup>511</sup>

After the U.S. entry into the war, Ford of France became administered as an enemy-controlled company, and on May 26, 1942, Albert was appointed custodian of the firm, supplanting the French firm's board of directors. The French board of directors attributed Albert's appointment to the consolidation of the Speer armaments ministry in Germany and Speer's attempts to coordinate French and German production for the war.<sup>512</sup> Maj. Tannen of the German army acted as Albert's assistant in administering the plant.<sup>513</sup> However, because of continuing difficulties at Ford of France, including an attempt at sabotage, in January 1943 the Speer ministry took the first step toward granting Schmidt the "necessary authority" to include the French subsidiary in the "general Ford plan."<sup>514</sup> This called for coordinating parts production and assembly of military trucks and Maultiers between Ford-Werke and the Ford subsidiary in France as well as subsidiaries

in Belgium and Holland. Under Albert, Ford of France was made responsible for the production of parts for 2,000 trucks per month for the German army, with Ford of France, Belgium and Holland each responsible for assembly of one-third of the total. To accomplish this and to connect Ford of France with other Ford entities in Europe, Albert saw to it that men and materials from Ford-Werke, and labor from Ford facilities in Belgium and Holland, were sent to France.<sup>515</sup>

In March 1944, German military authorities reported that Ford of France was supplying Ford of Belgium and Ford of Holland with engines and transmission units, in addition to producing trucks and motors. British intelligence reports from the same year indicated Ford of France was manufacturing between 400 and 500 vehicles each month along with 1,000 engines.<sup>516</sup> According to a September 1945 report, the highest production figure attained by Ford of France during the war was 900 trucks per month.<sup>517</sup> The liberation of Paris on August 28, 1944, ended Albert's custodianship of Ford of France. By October 1944, Ford S.A.F. was operating under its U.S. parent.<sup>518</sup>

<sup>508</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 203, Memo by Schmidt on custodian of Ford Enterprises France, June 25, 1945 (NARA 0000475-0000476); see also NARA, RG 59, Central Decimal File, 1940-44, Box 1174, File: 351.115, Leahy to Secretary of State, March 17, 1942 (NARA 0005411-0005414).

<sup>509</sup> HFM, Acc. 6, Box 329, File: Asnières, Dollfus to Edsel Ford, August 21, 1941 (HFM 0001285).

<sup>510</sup> NARA, RG 59, Central Decimal File, 1940-44, Box 1174, File: 351.115, Leahy to Secretary of State, March 17, 1942 (NARA 0005411-0005414).

<sup>511</sup> HFM, Acc. 6, Box 329, File: Asnières, Broz to Edsel Ford and Sorensen, March 11, 1942 (HFM 0000156); BA-F, RW 24/4, Report of Events, March 8, 1942 (BAF 1307); NARA, RG 84, Entry 2490, Box 10, File: 711, American Embassy, Vichy, to Secretary of State, April 4, 1942 (NARA 0006908).

<sup>512</sup> FMC, AR 75-63-430, Box 207, File: France Meeting Minutes 1935-1948, Ford S.A.F. Board Meeting Minutes for June 12, 1942 (FMC 0003419-0003421) and October 19, 1944 (FMC 0003383). For German regulations regarding the definition of enemy-controlled assets, see BA-L, R 22/2815, Reichsgesetzblatt Nr. 37, April 14, 1942 (BAL 2706).

<sup>513</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 203, Memo by Schmidt on custodian of Ford Enterprises France, June 25, 1945 (NARA 0000475-0000476).

<sup>514</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011113 and 0011120-0011121; for English translations, see DOJ 0011218 and 0011222-0011223). The Speer ministry's goal, as expressly ordered by the Führer, was to ensure the full utilization of the French automotive industry for the German war effort. For reports of sabotage at Ford of France, see Ford-Werke Records, Note to files, September 24, 1942 (FW 0001908-0001909); FMC, AR-98-213542, File: Oral reminiscence conducted by Mira Wilkins, Marcel Cola Interview, July 13, 1960 (FMC 0017359-0017360); and HP, AR-61-000418, Box 1, File: 1941, Translation of Report from Ford S.A.F.: French Recovery Study (HP 0000418).

<sup>515</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011106; for English translation, see DOJ 0011232); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 39, September 5, 1945 (NARA 0000040-0000041), Schmidt to Perry, May 28, 1945 (NARA 0000485). Beginning in 1944, Ford-Werke production reports include information on both the Cologne facility and the "Ford-West" program; see NARA, RG 243, Entry 6, Box 684, File: 77a2, Automobile Manufacturers Planned and Actual Production, 1944 (NARA 0003659).

<sup>516</sup> BA-F, RW 24/33, Mid-month Report, April 4, 1944 (BAF 1417-1420); NARA, RG 226, Entry 16, Box 946, File: 80684, MEW Report, June 1944 (NARA 0004399).

<sup>517</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 39, September 5, 1945 (NARA 0000041).

<sup>518</sup> FMC, AR 75-63-430, Box 207, File: France Meeting Minutes 1935-1948, Ford S.A.F. Meeting Minutes, October 19, 1944 (FMC 0003382-0003383 and 0003388).

## 8.2. Ford of Belgium

Ford Motor Company (Belgium) S.A. (Ford of Belgium) was a direct subsidiary of Ford Motor Company before the outbreak of war in 1939.<sup>519</sup> Following the German invasion of Belgium in May 1940, the country was administered by German military authorities, and Allied-owned Belgian industrial facilities came under the jurisdiction of the Reich Commissioner for the Treatment of Enemy Property. From the time of the invasion in 1940, until the liberation of Belgium in September 1944, Ford of Belgium was treated as part of a pan-European Ford organization headed by Ford-Werke.<sup>520</sup>

In June 1940, the German military administration appointed Robert Schmidt as special commissioner for Ford of Belgium during the occupation, with instructions to get the utmost out of the Belgian facilities in terms of German war potential. Soon after his appointment, Schmidt changed the purpose of the Antwerp facility, ordering the conversion of Ford of Belgium from an assembly-only facility for cars to a full-scale production plant.<sup>521</sup> In accordance with German military requests, Ford of Belgium built trucks and manufactured Ford parts, especially those bottlenecked in Germany.<sup>522</sup> Since Schmidt spent only a limited amount of time in Belgium, he delegated some of his authority. For example, Hans Schmidt represented Ford-Werke's management board in Antwerp and oversaw operations there from 1940 to

1944.<sup>523</sup> Alfons Streit, Ford-Werke's technical director and a deputy member of the management board, supervised production at Ford of Belgium and Ford of Holland.<sup>524</sup>

At a meeting of the advisory board of Ford-Werke in January 1943, Robert Schmidt announced the expansion of the "unified plan" for European production that included contributions from the Cologne, Amsterdam, Antwerp and Lüttich facilities. To relieve a raw material bottleneck, he ordered the establishment of two new facilities in Belgium, a foundry in Rocour and a forge in Bierset, a suburb of Antwerp.<sup>525</sup> Although these facilities were legally considered part of Ford of Belgium, Ford-Werke owned the machinery.<sup>526</sup> Ford-Werke also had its own personnel managing the new facilities. Werner Prütz, a high-ranking Ford-Werke employee, oversaw operations at the Bierset forge until the Allied occupation.<sup>527</sup> At the Rocour foundry, Streit directed most operations, assisted by M. Böhl, another Ford-Werke employee.<sup>528</sup>

During the war, Ford-Werke used Ford of Belgium's contacts with Switzerland, which had been part of Ford of Belgium's sales territory during the 1930s. Since 1931, Ford-Werke had purchased items and sold vehicles and spare parts in Switzerland, therefore paying commissions to Ford of Belgium. Schmidt developed the idea of buying Ford spare parts in Switzerland for Ford-Werke and for other European

<sup>519</sup> BA-L, R 87/8292, Albert to Reich Commissioner, June 8, 1940 (BAL 5749-5750).

<sup>520</sup> HFM, Acc. 6, Box 321, File: 1940 Correspondence, Dollfus to Edsel Ford, November 27, 1940 (HFM 0001456-0001460).

<sup>521</sup> BA-L, R 87/8292, Albert to Reich Commissioner, June 8, 1940 (BAL 5749-5750); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Schmidt to Reich Commissioner, May 15, 1944 (DOJ 0011169; for English translation, see DOJ 0011171); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 196, Memo by Schmidt on custodianship, June 25, 1945 (NARA 0000464). Prior to the occupation of Belgium by German troops in 1940, Ford of Belgium received materials and parts from Ford of Britain (Dagenham) and Ford Motor Company, and assembled finished cars; see FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001044).

<sup>522</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, page 38, September 5, 1945, (NARA 0000040).

<sup>523</sup> Ford-Werke Records, Personnel file of Hans Schmidt, no date (FW 0020974).

<sup>524</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001567).

<sup>525</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011113-0011114; for English translation, see DOJ 0011218-0011219); see also NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944 (NARA 0004399).

<sup>526</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001046). Ford of Belgium paid the majority of the expenses for the additional investments and, after the war, submitted a number of invoices related to the investments to Ford-Werke for reimbursement. Ford-Werke took the position that the activities were the responsibility of Ford of Belgium. Available documentation does not confirm whether Ford-Werke eventually paid the invoices, totaling Bfrs 71,813,653.67.

<sup>527</sup> HStAD, NW 1049/47910, Denazification File of Werner Prütz, 1945-1947 (HSAD 0322-0364).

<sup>528</sup> Ford-Werke Records, Kurscheid to Neuss, January 5, 1944 (FW 0003148), Böhl to Streit, February 3, 1944 (FW 0003175).

Ford companies, and the German government guaranteed payment. Ford-Werke also aided a German government program with Swiss dealers through which the dealers agreed to repair 2,000 army trucks and convert them into gas generators.<sup>529</sup>

In 1939, Ford of Belgium had a stock capital of Bfrs (Belgian francs) 90,000,000, of which a large amount was owned directly by Henry Ford.<sup>530</sup> In 1944, Ford of Belgium, under pressure from Schmidt, issued an additional Bfrs 60,000,000 in Ford of Belgium stock to be retained directly by Ford-Werke. A postwar report said that the stock was given in exchange for Ford-Werke's assistance with expenses for the new foundry and forge operations.<sup>531</sup> Schmidt justified this plan to the Reich Commissioner for the Treatment of Enemy Property in part by claiming that such a move would "secure German influence over the Antwerp company for the future." With permission from the Reich Commissioner, the stocks were issued to Ford-Werke, making the German company Ford of Belgium's second largest shareholder.<sup>532</sup> These shares were nullified by Ford of Belgium after the war, since they had been issued under pressure.<sup>533</sup>

An account provided in the 1980s by an employee of Ford of Belgium describes "a kind of resistance" within

<sup>529</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 41, September 5, 1945 (NARA 0000043). Gas generators, or gas producers, were alternative fueling devices that used carbon or wood to fuel a vehicle.

<sup>530</sup> BA-L, R 87/8292, Albert to Reich Commissioner, June 8, 1940 (BAL 5749-5750).

<sup>531</sup> BA-L, R 87/6205, Military Commander for Belgium and Northern France to Ford of Belgium, March 25, 1944 (BAL 0530), Reich Commissioner to Schmidt, July 7, 1944 (BAL 0535-0536), Finance President of Cologne to Ford-Werke, June 13, 1944 (BAL 0534); FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918).

<sup>532</sup> BA-L, R 87/6205, Schmidt to Reich Commissioner, May 15, 1944 (BAL 0527-0528; for partial English translation, see WNRC, RG 299, Acc. 299-68A-0243, W-17536 Part 1 of 1 [DOJ 0011171-0011172]); Reich Commissioner to Schmidt, July 7, 1944 (BAL 0535-0536).

<sup>533</sup> Ensign Rains, a U.S. military investigator with the Allied occupation government in Germany, confiscated the shares from Ford-Werke on June 14, 1945. See NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Rose to Kagan, September 10, 1948 (NARA 0000549-0000550) and Bennett to Property Division, November 24, 1948 (NARA 0000548); see also FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918).

the factory that was expressed in subtle sabotage of the trucks being built for the German army. The sabotage would prevent the trucks from working properly, yet was not noticeable until they were in use.<sup>534</sup> According to a postwar account from another employee, the work force labored "very hard, but slowly" and built fewer than 60 percent of the truck quota established by the Germans for the Belgian operation between June 1940 and August 1944. The comparison was made between 35,501 units assembled by Ford of Belgium (with U.S. components) for the U.S. Army between December 1944 and May 1945, and 11,025 units assembled previously for the Germans over a five-year period of the occupation.<sup>535</sup> The Antwerp facility was heavily damaged by the Allies during the war. The first attack occurred in October 1941, when five bombs were dropped in the vicinity of the factory and caused a fire to break out in the factory hall.<sup>536</sup> The Antwerp facility was attacked twice in May 1943, causing extensive damage to the plant's machine shop.<sup>537</sup>

Direct links between Ford-Werke and Ford of Belgium were severed in September 1944, after the Allied liberation of Belgium. Ford of Britain assumed control of the firm and installed its own directors.<sup>538</sup> Ford of Belgium employee O. La Meir, head of the Service Department, was said to have been a member of a pro-German, Belgian SS paramilitary group, and left a few days before liberation, presumably for Germany. Belgian authorities later arrested James van Luppen, Ford of Belgium's assistant manager during the war, and charged him with 17 counts of industrial

<sup>534</sup> HFM, AR-98-2135411, Box 49, Oral history of Nestor Casteleyn, March 26, 1987 (HFM 0001500-0001501).

<sup>535</sup> HFM, Acc. 880, Box 2, File: Belgium, Notes on interview with Desire De Jonghe, August 5, 1960 (HFM 0000770-0000771).

<sup>536</sup> NARA, RG 243, Entry 6, Box 687, File: Ford Antwerp, Ford (Belgium) war damage no. 2, October 7, 1941 (NARA 0003411-0003421).

<sup>537</sup> NARA, RG 243, Entry 6, Box 687, File: 77a19 3 of 3, Motor Vehicle Survey of Ford and General Motors Plants at Antwerp, Belgium, February 26, 1945 (NARA 0003264-0003266); Hans Schmidt to Armaments Commando - Brussels, June 1, 1943 (NARA 0003298-0003301).

<sup>538</sup> NARA, RG 56, Acc. 56-68A-2809, Box 40, File: (500) Rep in Belgium, Ford Motor Co. (Belgium) S.A., Form TFR-500, October 31, 1947 (NARA 0004471-0004472).

collaboration.<sup>539</sup> In November 1947, military authorities in Antwerp ended an investigation of economic collaboration with the enemy against Ford of Belgium by dismissing the matter.<sup>540</sup> According to one postwar account, van Luppen was at first pushed out from his position, but returned in October 1948.<sup>541</sup>

### 8.3. Ford of Holland

N.V. Nederlandsche Ford Automobiël Fabriek (Ford of Holland) was an independent subsidiary of Ford of Britain before the outbreak of war. Ford of Britain held a 60 percent ownership stake in the company, with the remaining 40 percent in the hands of Dutch private citizens.<sup>542</sup> Unlike Belgium, Holland was not subjected to a military government after the German invasion in May 1940. Instead, German officials established a civilian government under the control of the Reich Commissioner for the Occupied Dutch Territories, which directly regulated Dutch industry.<sup>543</sup>

Despite arguments by Heinrich Albert that only 24 percent of Ford of Holland's capital was actually enemy-controlled [owned by the English], the Reich Commissioner decided to appoint a custodian for Ford of Holland.<sup>544</sup> As a courtesy, Albert and Schmidt consulted

the manager of Ford of Holland, C.G.F. Stenger, about the appointment of Schmidt as custodian. Their strategy was to have the individual be a "Ford man," since the Germans had made it known that a custodian would be appointed in any case.<sup>545</sup> Schmidt was selected on June 13, 1940.<sup>546</sup>

As custodian, Schmidt immediately began to change the nature of Ford of Holland's operations. To compensate for the loss of imported parts from the United States and Great Britain (Ford of Holland's primary prewar suppliers), Schmidt converted the Amsterdam facility from an assembly shop to a full production plant in 1940.<sup>547</sup> Ford-Werke obtained the necessary machines from other Ford subsidiaries and transported them to Amsterdam as part of a plan to exert a "decisive influence" over non-German Ford companies.<sup>548</sup> According to Schmidt, however, Ford of Holland's decision to invest approximately Dutch Guilder 1,000,000 in expanding the Amsterdam facility to increase German war potential was entirely voluntary.<sup>549</sup>

<sup>539</sup> NARA, RG 59, Central Decimal File 1945-49, Box 1741, File: 356.115, Roberge to Foreign Service Administration, October 13, 1944 (NARA 0005333), Fuller to Secretary of State, April 24, 1945 (NARA 0007375), Keeley to Secretary of State, April 18, 1945 (NARA 0007373). Keeley, the American consul general in Antwerp, Belgium, noted that van Luppen had not yet been brought to trial, and that the charges might be dropped, although Belgian authorities insisted that there had been collaboration at the Antwerp facility. A U.S. Treasury Department official attached a note to the Keeley letter, indicating that the information in the letter should not (emphasis in the original) be passed on to Ford Motor Company; see Memo from Davids, May 9, 1945 (NARA 0007372).

<sup>540</sup> FMC, AR-98-213541, Box 131, File: Antwerp Visit 1948, Translation of Notification from Auditeur Militaire to the Burgomaster of Antwerp, November 10, 1947 (FMC 0007221).

<sup>541</sup> HFM, Acc. 880, Box 2, File: Belgium, Notes on interview with Desire De Jonghe, August 5, 1960 (HFM 0000770-0000771).

<sup>542</sup> NARA, RG 226, Microfilm M1499, Roll 270, report on N.V. Nederlandsche Ford Automobiël Fabriek, June 10, 1943 (NARA 0004126).

<sup>543</sup> Hans Werner Neulen, "Deutsche Besatzungspolitik in Westeuropa – zwischen Unterdrückung und Kollaboration" in Karl Dietrich Bracher et al., eds., *Deutschland 1933-1945. Neue Studien zur nationalsozialistischen Herrschaft* (Bonn: Droste Verlag, 1992), pp. 404-425.

<sup>544</sup> BA-L, R 87/8292, Albert to Reich Commissioner, June 8, 1940 (BAL 5749-5750). Albert wrote that as long as the United States did not enter the war, an administrator was not necessary. If the United States did enter the war, Albert asked to be considered for the position of custodian, not only for Ford of Holland, but also for Ford of Belgium and Ford-Werke. See also Section 5.4. for more on custodianship.

<sup>545</sup> FMC, AR-95-213541, Box 131, File: Schmidt - Nazi Accusation, Memo by Stenger on Schmidt, November 28, 1947 (FMC 0004433).

<sup>546</sup> BA-L, R 177/1251, Report on Testing at the N.V. Nederlandsche Ford-Automobiël Fabriek in Amsterdam, November 30, 1943 (BAL 5391-5474), Bestallungsurkunde, June 13, 1940 (BAL 5585).

<sup>547</sup> NARA, RG 226, Microfilm M1499, Roll 270, Report on N.V. Nederlandsche Ford Automobiël Fabriek, June 10, 1943 (NARA 0004125-0004126).

<sup>548</sup> BA-L, R 177/1251, Schmidt to the Reich Commissioner for the Occupied Dutch Territories, December 11, 1940 (BAL 5568-5569; for English translation, see BAL 12344-12345). In October 1942, Ford of Holland was required to begin assembling a German army caterpillar truck, using material from Ford-Werke and other German sources. By early December "not one unit had been completed." In response, Ford-Werke sent 753 trucks for conversion into caterpillar vehicles and dispatched more than 100 employees "to make the best of a bad job." See FMC, AR-98-213541, Box 201, *European Company Histories, 1940-1946*, June 18, 1946 (FMC 0007446).

<sup>549</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Schmidt to Albert, December 4, 1941 (NARA 0006997).



Between managing Ford-Werke and his other European duties, Schmidt was able to spend only approximately one week per month concentrating on Ford of Holland operations. As a result, he delegated much of his authority on day-to-day issues to other Ford-Werke personnel.<sup>550</sup> Alfons Streit supervised production at Amsterdam throughout the war.<sup>551</sup>

After the Allies liberated the Netherlands in the fall of 1944, Stenger, the Ford of Holland manager, and three other Dutch management employees – the assistant manager, the works manager and the chief clerk – were arrested on the suspicion of collaboration with the Nazis. With the German custodianship invalidated and the former Dutch managers arrested, Ford of Britain reasserted control over Ford of Holland. Lord Percival Perry sent G.S. Hibberson, a Ford of Britain employee, to act as manager and re-establish contact with its subsidiary.<sup>552</sup> In April 1946, the charges against the four Dutch employees were dropped, and on April 8, Stenger was reinstated as manager.<sup>553</sup>

#### 8.4. Other Ford Facilities

Several Ford subsidiaries in Europe did business with Ford-Werke during the war. These included smaller firms in other occupied countries. In addition, there were several subsidiaries located in countries that were German allies. Some Ford subsidiaries in neutral countries also had business contacts with Ford-Werke.

**Ford of Austria:** To develop its export territories, Ford-Werke established two subsidiaries in Austria toward

the end of the war.<sup>554</sup> The first subsidiary, Ford-Werke AG Wien GmbH, was founded in September 1944 in Vienna with RM 2,000,000 in capital. Shareholders included Ford-Werke, Robert Schmidt, Erhard Vitger and Hans Schneider, a Ford of Austria dealer.<sup>555</sup> The subsidiary began construction of a facility that was never completed, although the firm continued to exist as a corporate entity into the postwar period.<sup>556</sup>

On March 19, 1945, Ford-Werke founded a second subsidiary, known as Ford Motor Handels- und Werkstätten Gesellschaft, with RM 499,000 in capital.<sup>557</sup> To circumvent the German corporate laws that had hampered Ford-Werke's previous attempt at founding a subsidiary in Austria, the stock in the new company, to be located in Salzburg, was initially distributed to Schneider (RM 100,000) and a man named Hans Stock (RM 399,000). However, Ford-Werke obtained control over Stock's shares through a trustee agreement. After the Allied occupation, Stock's shares were officially transferred to Ford-Werke. Directors of the Salzburg subsidiary were listed as Schmidt, Vitger and Anton Scheuffgen (all of whom were Ford-Werke managers).<sup>558</sup> The Ford Handels- und Werkstätten Gesellschaft branch owned no real estate. A large portion of its equipment was obtained after the equipment was evacuated from Ford of Hungary in the last months of the war. In late 1945, Ford Handels- und Werkstätten Gesellschaft began repair operations at

<sup>550</sup> BA-L,R 177/1251, Report on Testing at the N.V. Nederlandsche Ford-Automobiel Fabriek in Amsterdam, November 30, 1943 (BAL 5392-5474); Ford-Werke Records, Personnel file of WS. (FW 0021713-0021715).

<sup>551</sup> NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001567).

<sup>552</sup> NARA, RG 59, Central Decimal File 1945-49, Box 1741, File: 356.115, Roberge to Foreign Service Administration, October 13, 1944 (NARA 0005333), Hibberson to Haupt, October 17, 1945 (NARA 0005342).

<sup>553</sup> Wilkins and Hill, *American Business Abroad*, p. 348.

<sup>554</sup> FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Report on Ford-Werke, October 15, 1947 (FMC 0000135). Austria had been united with Germany in 1938 and formed part of the German Reich until the end of the war.

<sup>555</sup> Ford-Werke Records, Scheuffgen to the Vienna Gauwirtschaftskammer, September 18, 1944 (FW 0001757); FMC, AR-75-63-430, Box 90, File: Ford-Werke Audit Reports 1946-1947, Audit Report by Knippath for 1946 (FMC 0016953-0016954).

<sup>556</sup> Ford-Werke Records, Scheuffgen to Vitger, September 17, 1944 (FW 0001755); BA-L,R 87/6206, Reich Economic Minister to Ford-Werke, November 10, 1944 (BAL 0832); WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Foreign Claims Settlement Commission Proposed Decision No. W-18559, November 23, 1966 (DOJ 0010737-0010753).

<sup>557</sup> FMC, AR-75-63-430, Box 90, File: Ford-Werke Audit Reports 1946-1947, Audit Report by Knippath for 1946, November 1947 (FMC 0016953); FMC, AR-65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Report on Ford-Werke, October 15, 1947 (FMC 0000135). A U.S. military government postwar report indicates that Ford Salzburg was founded with 499,000 shillings in capital; see NARA, RG 260, Entry 107, Box 78, Report on Ford Handels- und Werkstätten GmbH, p. 1, July 8, 1948 (NARA 0007185).

a facility in Linz under the control of U.S. military occupation government officials. The company reconditioned Ford automobiles, handling Ford motors of all types and, to a limited extent, manufactured Ford spare parts and traded in Ford products, including overseas exports.

In November 1947, Vitger was assigned the postwar custodianship of Ford-Werke's Austrian interests.<sup>559</sup> But as of October 15, 1947, the Vienna subsidiary was inactive and was to be liquidated.<sup>560</sup> Ford-Werke wrote down its investment in Ford Salzburg to DM 1 (after the postwar conversion of the German currency to Deutsche Marks) in its June 21, 1948, balance sheet, effectively abandoning the operation.<sup>561</sup>

**Ford of Denmark** Despite the fact that 60 percent of Ford of Denmark's shares were owned by Ford of Britain, H.C. Møller, Ford of Denmark's prewar manager, retained his position throughout the war, without the imposition of a Ford-Werke custodian after the Germans occupied Denmark in 1940.<sup>562</sup> Likewise, Ford of Denmark continued to elect its own board members.<sup>563</sup> This was the case because Germany treated Denmark differently from most other occupied territories and administered the country indirectly until the later stages of the war.<sup>564</sup> Vitger, as a Dane, became

Ford-Werke's main contact person with the Danish manager.<sup>565</sup>

Before the German occupation, Ford of Denmark, located in Copenhagen, had been an assembly plant dependent on Ford Motor Company, Ford of Britain, Ford of France and, increasingly, Ford-Werke for parts. After the occupation, Ford-Werke became the main supplier of parts to Ford of Denmark, with assistance from Ford of Holland and Ford of Belgium. Under orders from the occupying Germans to begin manufacturing, Ford of Denmark obtained the necessary machinery from Germany and Czechoslovakia.<sup>566</sup> Beginning in 1940, Ford of Denmark manufactured gas generators, including 4,000 units initially intended for Ford-Werke but ultimately delivered to Imbert Generatoren GmbH (a generator specialist) of Cologne, for use in Denmark and Germany.<sup>567</sup> In addition to manufacturing gas

<sup>558</sup> NARA, RG 260, Entry 107, Box 78, Report on Ford Handels- und Werkstätten GmbH, Exhibit 3, Translation of affidavit, July 26, 1945 (NARA 0007208-0007209), Exhibit 7, Memo from Gray, October 29, 1947 (NARA 0007214).

<sup>559</sup> NARA, RG 260, Entry 107, Box 78, Report on Ford Handels- und Werkstätten GmbH, p. 1, July 8, 1948 (NARA 0007185), Exhibit 17, Extract from statement of Mayer, July 20, 1946 (NARA 0007226), Exhibit 21, Patrick to Ford Motor Company Salzburg, November 11, 1947 (NARA 0007232). Although the Salzburg facility leased the equipment from the Hungarian subsidiary, no direct payments were made due to unsettled political and economic conditions. Instead, money was paid regularly into a reserve fund for eventual compensation to Ford of Hungary.

<sup>560</sup> FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Report on Ford-Werke, October 15, 1947 (FMC 0000135).

<sup>561</sup> FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1948/49 (FMC 0003596).

<sup>562</sup> NARA, RG 165, Entry 463, Box 138, File: CAD 383 (6-23-43) (1), Report by Knight, June 26, 1945 (NARA 0005223).

<sup>563</sup> FMC, AR-65-1500, Box 2, File: Corporate Record-Foreign Corporations, Møller to Edsel Ford, December 1, 1941 (FMC 0014797-0014798).

<sup>564</sup> Neulen, "Deutsche Besatzungspolitik in Westeuropa," pp. 404-425. In a postwar report to the military authorities and in a later interview, Schmidt described the different treatment that German-occupied Denmark received. For example, its government remained in place and there were no confiscations or custodians, including at Ford of Denmark. "The Germans had a friendly arrangement with the Danish company." See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 212, Memo by Schmidt on Denmark, August 12, 1945 (NARA 0000500); and HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt, July 18, 1960 (HFM 0000904).

<sup>565</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042).

<sup>566</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042), Exhibit 212, Memo by Schmidt on Denmark, August 12, 1945 (NARA 0000500). Møller successfully resisted initial Nazi pressure to begin manufacturing to meet German needs, pointing out that the facility assembled automobiles for export and that it had a stockpile of components. When parts ran low and the pressure to begin manufacturing for the Germans could not be put off, the Danish company decided to avoid producing "real war supplies," such as arms and ammunition. See FMC, AR-65-1500, Box 2, File: Corporate Records - Foreign Corporations, Memo by Møller attached to Ford Motor Company A/S Meeting Minutes, December 11, 1944 (FMC 0014791); and Wilkins and Hill, *American Business Abroad*, pp. 318-19.

<sup>567</sup> FMC, AR-65-1500, Box 2, File: Corporate Records - Foreign Corporations, Memo by Møller attached to Ford Motor Company A/S Meeting Minutes, December 11, 1944 (FMC 0014791-0014792); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 212, Memo by Schmidt on Denmark, August 12, 1945 (NARA 0000500); NARA, RG 165, Entry 463, Box 138, File: CAD 383 (6-23-43) (1), Report by Knight, June 26, 1945 (NARA 0005223).

generators, in 1941 Ford of Denmark began exhaustive testing of various types of gas generators for Ford-Werke, which supplied both the generators and the vehicles.<sup>568</sup> Other wartime manufacturing at Ford of Denmark included a limited amount of parts for Ford-Werke; filters and coolers for Imbert; and disinfecting equipment used by the German army for delousing purposes.<sup>569</sup> German military officials occupied the Ford of Denmark plant on November 23, 1944, essentially ending independent Danish production.<sup>570</sup>

**Ford of Hungary**—Ford Motor R.T. Budapest (Ford of Hungary) was a subsidiary of Ford-Werke that was founded in 1938 in an agreement with the Hungarian government that granted taxation relief. Ford of Hungary was established to improve sales and service in Hungary, to better service the trucks supplied to the Hungarian War Ministry, and “probably at a later date,” to assemble units that would be supplied to Ford of Hungary by Ford-Werke. Ford of Hungary was entirely owned by Ford-Werke and its management, including Albert, Schmidt and Vitger.<sup>571</sup> Ford-Werke was responsible for selecting the corporate officers and the board of directors of Ford of Hungary, and both Albert and Schmidt were board members. Walter Scheffler joined Ford of Hungary as its director in 1938 after

several years as secretary of the management board at Ford-Werke.<sup>572</sup>

As an ally of Germany, Hungary was not occupied by German forces until mid-1944, when Germany invaded to prevent Hungary from seeking peace with the Soviet Union.<sup>573</sup> During 1942 and 1943, Ford of Hungary plant facilities were expanded to accommodate parts production and truck assembly. Approximately 5,000 trucks were delivered to the Hungarian army.<sup>574</sup> Ford of Hungary's management arrangement did not change substantially until November 1944. When ordered to leave Budapest by German authorities, Scheffler selected Edwin Maritz, a Swiss citizen, as director, in hopes of keeping Ford of Hungary from being classified as a German corporation by the invading Soviets.<sup>575</sup> When the siege of Budapest began in early 1945, communication with Maritz was cut off, and Ford of Hungary's chief clerk, Ulaszlo Nikolits, assumed control without Ford-Werke's knowledge or

<sup>568</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 212, Memo by Schmidt on Denmark, August 12, 1945 (NARA 0000500); WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, August 17, 1942 (DOJ 0011163; for English translation, see DOJ 0011168). Although one postwar military report said that Ford-Werke “directed” the Danish company to do the testing, a 1944 memo by Møller describes the testing as one of several agreements with Ford-Werke. See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042); and FMC, AR-65-1500, Box 2, File: Corporate Records - Foreign Corporations, Memo by Møller attached to Ford Motor Company A/S Meeting Minutes, December 11, 1944 (FMC 0014791-0014792); see also NARA, RG 165, Entry 463, Box 138, File: CAD 383 (6-23-43) (1), Report by Knight, June 26, 1945 (NARA 0005223). After the war, Møller testified to a generally cordial relationship with Ford-Werke, stating that Robert Schmidt “never endeavored to overstep his authority versus us.” See FMC, AR-98-213541, Box 131, File: Schmidt - Nazi Accusation, Møller to Cooper, December 10, 1947 (FMC 0006513).

<sup>569</sup> FMC, AR-65-1500, Box 2, File: Corporate Records - Foreign Corporations, Memo by Møller attached to Ford Motor Company A/S Meeting Minutes, December 11, 1944 (FMC 0014792-0014793); NARA, RG 165, Entry 463, Box 138, File: CAD 383 (6-23-43) (1), Report by Knight, June 26, 1945 (NARA 0005223); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042).

<sup>570</sup> FMC, AR-65-1500, Box 2, File: Corporate Records - Foreign Corporations, Ford Motor Company A/S Meeting Minutes, December 11, 1944 (FMC 0014789-0014793).

<sup>571</sup> NARA, RG 59, Central Decimal File 1945-49, Box 1829, File: 364.115, Report on Activity of Ford Motor RT until the 30th September 1945, November 5, 1945 (NARA 0005422); NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042); FMC, AR-98-213541, Box 92, File: Reports - Internal, Ford-Werke Managers Report, Third Quarter 1938, November 11, 1938 (FMC 0007786); FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000931-0000934). Hungarian law did not permit establishment of companies with only one shareholder. Ford-Werke's share of the company (total value Pengo 800,000) was Pengo 785,000, with the remaining Pengo 15,000 worth owned equally by Albert, Schmidt and Vitger. The initial stock issue to Ford-Werke was worth Pengo 135,000, while the original issues to the three men were worth Pengo 5,000 each (total initial capital value Pengo 150,000); see Report on Activity of Ford Motor RT until the 30th September 1945 (NARA 0005422).

<sup>572</sup> NARA, RG 59, Central Decimal File 1945-49, Box 1829, File: 364.115, Report on Activity of Ford Motor RT until the 30th September 1945, November 5, 1945 (NARA 0005423); Ford-Werke Records, Personnel file of Walter Scheffler (FW 0021029-0021032).

<sup>573</sup> Klaus P. Fischer, *Nazi Germany: A New History* (New York: Continuum, 1995), p. 511.

<sup>574</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 40, September 5, 1945 (NARA 0000042).

<sup>575</sup> NARA, RG 226, Entry 19A, Box 142, Scheffler to Vitger, November 14, 1944 (NARA 0004392-0004394), Scheffler to Vitger, November 27, 1944 (NARA 0004395).

approval.<sup>576</sup> Ford-Werke never regained control over Ford of Hungary after the Soviet invasion. In January 1946, the Hungarian Ministry of Industry took provisional control of the company.<sup>577</sup> After a long debate over the status of Ford of Hungary shares and the role of the Soviet government in managing the company,<sup>578</sup> Ford-Werke decided to divest itself of its Hungarian holdings in 1948.<sup>579</sup> The Hungarian government nationalized the firm in 1949.<sup>580</sup>

**Ford of Romania:** Like Hungary, Romania was allied with the Axis powers. Because Ford of Britain held majority shares in Ford of Romania, the Romanian government placed the firm under “compulsory administration,” and an Austrian named Wachner was installed as manager in November 1940.<sup>581</sup> Ford of Romania, located in Bucharest, was a small plant that assembled and repaired automobiles and trucks and distributed Ford products in Romania, Yugoslavia and Bulgaria. Throughout 1940 and 1941, Ford of Romania procured most of its manufacturing materials from the Romanian government and Ford-Werke, which supplied spare parts as well as truck, car and tractor components.<sup>582</sup>

In 1940, the plant’s capacity was 15 cars or 10 trucks per day.<sup>583</sup> A later intelligence report indicates that Ford of Romania’s operations also produced 250 tractors per month in 1940.<sup>584</sup> Automobiles supplied to the Romanian government by Ford of Romania were used by the country’s military.<sup>585</sup> Following the German invasion of the Soviet Union in the summer of 1941, Ford of Romania operated repair facilities on behalf of the Romanian army in the Eastern occupied territories. The largest was in Odessa. The company also operated farms used to supply food to these repair shops and the main plant in Bucharest. The repair facility in Odessa was taken over by the Romanian military in early 1943. The farms were handed over to the occupation government later in the year.<sup>586</sup>

Ford of Romania was scheduled to deliver 1,200 road tractors between May and December 1944.<sup>587</sup> In late August, however, Romania agreed to armistice terms dictated by the Allies, and the Russians occupied Romania on August 31, 1944.<sup>588</sup> After the war ended, the Romanian government used the Bucharest plant to assemble vehicles that went to the Russians to help meet

<sup>576</sup> NARA, RG 59, Central Decimal File 1945-1949, Box 3, File 12.3, Squires to Secretary of State, April 20, 1945 (NARA 0005499-0005500).

<sup>577</sup> NARA, RG 59, Central Decimal File 1945-1949, Box 1829, File 364.115, Folsom to Secretary of State, May 13, 1946 (NARA 0005351-0005352).

<sup>578</sup> Wilkins and Hill, *American Business Abroad*, p. 348. After the war, the Soviets seized the stock of the Hungarian company and gave Ford a 57 percent interest (a rounded figure based on Ford’s ownership share of Ford-Werke), while the Soviet government held 43 percent. Ford could not liquidate its interest because a stockholders’ meeting could be held only in Hungary, and Ford was not in a position to send representatives there.

<sup>579</sup> Ford-Werke Records, Excerpts from Board Meeting Minutes, March 2-3, 1948 (FW 0003251-0003252); FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1948/49 (FMC 0003596).

<sup>580</sup> FMC, AR-75-63-301, Box 31, Particulars for Preparation of Report to Foreign Operations Committee, September 8, 1949 (FMC 0000032); FMC, AR-75-62-616, Box 57, File: Investments 1949-1951, Schedules tracing Ford Motor Company investment in overseas locations, August 21, 1951 (FMC 0003334).

<sup>581</sup> NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945 (NARA 0007101-0007106); HFM, Acc. 320, Box 1, File: Ford Motor Company-Romania 1932-1941, Memo from Cooper, December 24, 1940 (HFM 0007438-0007440).

<sup>582</sup> Ford of Britain Records, Ford Motor Company, Ltd., to Ministry of Economic Warfare, May 17, 1940 (FMCL 0000051), Ford Motor Company, Ltd., to McCombe, May 25, 1940 (FMCL 0000059-0000063), Memo on Interview at Trading with the Enemy Branch, April 25, 1940 (FMCL 0000053-0000055); NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944 (NARA 0004396-0004403). In 1940, Ford of Romania obtained some of its parts from the United States and England as well as Germany; see NARA, RG 226, Entry M1499, Roll 239, Report on Ford Motor Company Installations in Denmark, Romania, Sweden and Finland, May 1, 1943 (NARA 0004087).

<sup>583</sup> NARA, RG 226, Entry M1499, Roll 239, Report on Ford Motor Company Installations in Denmark, Romania, Sweden and Finland, May 1, 1943 (NARA 0004087).

<sup>584</sup> NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944, (NARA 0004399).

<sup>585</sup> Ford of Britain Records, Memo on Interview at Trading with the Enemy Branch, April 25, 1940 (FMCL 0000053-0000055).

<sup>586</sup> HFM, Acc. 320, Box 1, File: Ford Motor Company - Romania - 1942-47, Meeting Minutes for October 27, 1941 (HFM 0007441-0007442), September 23, 1942 (HFM 0007443-0007449), January 18, 1943 (HFM 0007450-0007451) and June 1, 1943 (HFM 0007452-0007453).

<sup>587</sup> NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944 (NARA 0004397).

<sup>588</sup> William L. Langer, ed., *An Encyclopedia of World History* (Boston: Houghton Mifflin Company, 1972), p. 1213.

Romanian reparations. In the fall of 1946, Lord Perry decided to liquidate Ford of Romania. But in June 1948, before his decision could be implemented, the Romanian government nationalized the company's assets, ending Ford's connection with the company.<sup>589</sup>

**Ford of Italy:** Ford of Italy dealt in tractors, which were primarily for agricultural use in Italy, although it did export some vehicles to Romania.<sup>590</sup> Ford-Werke was not greatly involved in Ford of Italy's operations, since its production did not "quite fit" into Ford-Werke's production scheme.<sup>591</sup> In 1948, the business sold 83 tractors, 15 cars (to the Vatican and diplomats) and spare parts. The company was wholly owned by Ford Investment Co., Ltd.<sup>592</sup>

**Ford of Finland:** In June 1941, Finland joined Germany in declaring war against the Soviet Union, and later that year also declared war on Great Britain.<sup>593</sup> Ford of Finland was a subsidiary of Ford of Denmark, which was majority-owned by Ford of Britain.<sup>594</sup> Ford of Finland did not have a German custodian, and its management structure remained the same as before the war.<sup>595</sup> In January 1943, Ford-Werke's board of advisors noted that the German firm had close ties to Ford of Finland through shipments of vehicles and spare parts.<sup>596</sup> Allied intelligence reports varied somewhat in describing activities at Ford of Finland.<sup>597</sup> According to

a British intelligence report from June 1944, Ford of Finland, as of July 1942, was assembling 645 trucks per month, repairing tractors and manufacturing gas generators. The report said that Ford of Finland was to have received 275 trucks from Germany in the spring of 1944. During the spring of 1944, the report said, Ford of Finland recorded a 62.11 percent increase in the sale of spare parts, with imports from Germany being the main reason that Ford of Finland was able to meet the demand.<sup>598</sup> On March 3, 1945, however, Finland declared war on Germany.<sup>599</sup>

**Ford of Greece:** Ford Motor Company Greece S.A. was a wholly owned subsidiary of Ford of Britain, with a service plant established in Athens in 1936.<sup>600</sup> Ford of Greece had a German manager. Ford and Ford of Britain shipped cars and trucks to Ford of Greece in 1939 and 1940; Ford-Werke also exported trucks to Ford of Greece during those years.<sup>601</sup> Greece surrendered to Germany in April 1941.<sup>602</sup> In January 1943, Schmidt reported that the Athens repair facility had been "placed under the commission of Ford-Werke," and he noted there had been difficulties in obtaining food for the

<sup>589</sup> Wilkins and Hill, *American Business Abroad*, pp. 348-349.

<sup>590</sup> Ford of Britain Records, Memo on interview at Trading with the Enemy Branch, April 25, 1940 (FMCL 0000053-0000055).

<sup>591</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011114; for English translation, see DOJ 0011219).

<sup>592</sup> FMC, AR-84-63-1217, Box 6, File: Policy Committee Meeting-December 15, 1948, Howard to Brand, November 8, 1948 (FMC 0014707).

<sup>593</sup> Langer, ed., *An Encyclopedia of World History*, p. 1188.

<sup>594</sup> Ford of Denmark owned 60 percent of Ford of Sweden, which held 60 percent interest of Ford of Finland; see FMC, AR-75-62-616, Box 57, File: Investments 1949-1951, Schedule tracing Ford Motor Company investments in overseas locations, August 21, 1951 (FMC 0003337).

<sup>595</sup> NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945, (NARA 0007104).

<sup>596</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011114; for English translation, see DOJ 0011219).

<sup>597</sup> According to a U.S. intelligence report, Ford of Finland only serviced cars imported for sale in Finland; see NARA, RG 226, Entry M1499, Roll 239, Report on Ford Motor Company Installations in Denmark, Romania, Sweden and Finland, May 1, 1943 (NARA 0004089). According to a British intelligence report, Ford of Finland obtained its spare parts primarily from Ford-Werke and some from Ford of Italy in Bologna; see PRO, FO 837/19, MEW Intelligence Weekly Report No. 118, May 11, 1944 (PRO 0000162). American diplomats reported that Ford of Finland was suspected to have traded extensively with the enemy; see NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, Memo from Hull to American Legation, June 17, 1944 (NARA 0001825-0001826).

<sup>598</sup> NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944, (NARA 0004397 and 0004399). Ford of Finland may have sold spare parts and gas generator motors to the Finnish government. See NARA, RG 226, Entry M1499, Roll 336, Financial Report of the Scandinavian Ford Companies for 1941, April 9, 1942 (NARA 0004071).

<sup>599</sup> Langer, *An Encyclopedia of World History*, p. 1224.

<sup>600</sup> NARA, RG 60, Entry 285B, Box 79, File General Motors, Report: Ford Motor Company (Greece) S.A., June 24, 1943 (NARA 0003932).

<sup>601</sup> NARA, RG 169, Entry 500B, Box 1381, Document 155921, Intelligence Report No. EW-KO 13, March 18, 1945 (NARA 0007101-0007106); NARA, RG 60, Entry 285B, Box 79, File General Motors, Report: Ford Motor Company (Greece) S.A., June 24, 1943 (NARA 0003937).

<sup>602</sup> Langer, *An Encyclopedia of World History*, p. 1210.

plant's 60 workers.<sup>603</sup> According to Allied intelligence reports, the Athens facility did some partial assembly.<sup>604</sup> The Allies occupied Athens on October 3, 1944, effectively ending German control over Ford of Greece.<sup>605</sup>

**Ford of Spain:** Prior to the war, Ford-Werke did some business with Ford of Spain, located in Barcelona, but transport difficulties limited the transactions.<sup>606</sup> In 1943, Schmidt tried to develop the sale of spare parts and establish repair operations in Spain. But the Spanish Ford dealers refused to buy the German products because they did not want to be put on the American Black List that would cut off American supplies that were vital to Spain.<sup>607</sup>

**Ford of Portugal:** Incorporated in January 1932, this company was located in Lisbon and was a subsidiary of Ford of Spain (Barcelona).<sup>608</sup> In 1938, Ford of Portugal

ordered 10 Eifel units from Ford-Werke (introducing the model to Portugal) to liquidate credit accrued from commissions for Ford-Werke deliveries to Spain.<sup>609</sup> Between 1942 and 1945, Ford of Portugal could not receive sufficient material due to the war and blocked currency regulations. As a result, during those years Ford of Portugal suffered losses on operations amounting to Escudos 4,737,525.<sup>610</sup> Ford-Werke made several efforts to persuade Ford of Portugal's management to buy parts, trucks and small cars from the German company and other European plants under Ford-Werke's control during the war, but to no avail. Ford of Portugal's manager told Schmidt in 1943 that he fully shared the concerns of the Spanish company regarding the potential consequences of doing business with Ford-Werke. He was so concerned, in fact, that he had not even replied to messages from Ford-Werke.<sup>611</sup>

<sup>603</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011114; for English translation, see DOJ 0011219).

<sup>604</sup> NARA, RG 226, Entry M1499, Reel 348, U.S. Office of Strategic Services (OSS) Report no. 8587, October 30, 1943 (NARA 0004067); NARA, RG 226, Entry 16, Box 946, File 80684, MEW Report, June 1944 (NARA 0004398).

<sup>605</sup> Langer, *An Encyclopedia of World History*, p.1210.

<sup>606</sup> FMC, AR-98-213541, Box 92, File: Reports - Internal, Internal Reports, Manager's Report to Directors - Third Quarter 1938, November 11, 1938 (FMC 0007784).

<sup>607</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 41, September 5, 1945 (NARA 0000043). The "Black List" was known officially as the Proclaimed List of Certain Blocked Nationals. It was a list of persons and firms, often in neutral countries, who were working with or for Axis nations or individuals whose receipt of U.S. exports was considered detrimental to national defense. Those listed were prohibited from trading with U.S. interests. For more information about the Proclaimed List, see Greg Bradsher, *Holocaust-Era Assets, a Finding Aid to Records at the National Archives at College Park, Maryland* (College Park, Maryland: National Archives and Records Administration, 1999), pp. 1044-1045 and 1057-1058.

<sup>608</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, p. 41, September 5, 1945 (NARA 0000043); FMC, AR-75-62-616, Box 57, File: Investments 1949-1951, Schedule tracing Ford Motor Company investments in overseas locations, August 21, 1951 (FMC 0003331).

<sup>609</sup> FMC, AR-98-213541, Box 92, File: Reports - Internal, Internal Reports, November 11, 1938, Manager's Report to Directors - Third Quarter 1938, November 11, 1938 (FMC 0007784).

<sup>610</sup> FMC, AR-75-62-616, Box 27, File: Condensed Balance Sheets and Statements of Income of Non-Consolidated Affiliates - Oct. 1947, Palumbo to Breech, December 31, 1947 (FMC 0002220).

<sup>611</sup> FMC, AR-98-213541, Box 3, File: Lord Perry - Lisbon - January/June 1943, Nadal to Cooper, June 11, 1943 (FMC 0008230-0008232). Nadal was reporting to Ford of Britain following the visit to Lisbon by Schmidt in June 1943. In 1937, Sir Percival Perry of Ford of Britain had ordered all associated companies to immediately refer any contacts from Ford-Werke to England; see NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 60C, Perry to Albert, March 10, 1937 (NARA 0000171-0000172). Overtures to sell Ford-Werke vehicles and parts were made to Ford of Portugal in 1941 and in August and October 1942, but were rejected. See FMC, AR-98-213541, Box 15, File: Misc., Nadal to Hampson, October 23, 1941 (FMC 0011381); and NARA, RG 84, Entry 3126, Box 62, File 866.16, Nadal to Hibbard, February 6, 1942 (NARA 0005657). In January 1943, Schmidt reported to the Ford-Werke board that Portugal was totally under U.S. influence, and that Spain depended on England; see WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, January 13, 1943 (DOJ 0011114; for English translation, see DOJ 0011219).

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## Section 9

# IMPACT OF THE WAR ON COMMUNICATIONS

### 9.1. U.S. Government Regulations Governing Communications

With the rise of international tensions in the late 1930s, the U.S. government began examining the economic activities of U.S. firms and their European subsidiaries. Following the German occupation of Western Europe in 1940, U.S. government monitoring increased dramatically in conjunction with efforts to freeze French, Belgian and Dutch assets to prevent them from falling into German hands. After Germany declared war on the United States on December 11, 1941, government officials from the Departments of State, Treasury, Justice and Commerce conducted numerous investigations of U.S. companies suspected to have violated the 1917 Trading with the Enemy Act through foreign trade or overseas communications. The Trading with the Enemy Act was intended to prevent any economic activity that could benefit enemy powers. Accordingly, it prohibited U.S. firms from having any contact with enterprises in occupied Europe, as well as those located in neutral countries but known to have

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<sup>612</sup> On U.S. government investigations into possible violations regarding trading with the enemy, see *The Alien Property Custodian: A Legislative Chronological History and Bibliography of the Trading with the Enemy Act*, 50 U.S. Code App. 1-40, and the Office of the Alien Property Custodian, 1917-1952, U.S. Senate, Committee on the Judiciary, 82nd Congress, 2nd Session; and Bradsher, *Holocaust-Era Assets, a Finding Aid to Records at the National Archives at College Park, Maryland*, pp. 1044-1045 and 1057-1058.

had relations with countries under Axis control.<sup>612</sup>

In July 1942, the American Consulate in Algiers notified the U.S. State Department that the head office of Ford-Afrique, a subsidiary of Ford of France, recently had been transferred from France to Algeria, creating a new Ford subsidiary in Africa. The transfer had taken place with the approval of the authorities in occupied France. This dispatch led the Treasury Department to investigate Ford Motor Company files to determine the extent of Ford's relationship and control over its French subsidiary. Among the records examined in Dearborn were the personal files of Edsel Ford and Charles Sorensen.<sup>613</sup> (See Section 9.5. for more about this matter.)

### 9.2. Direct Communications Between Ford and Ford-Wer ke, 1939-1941

Ford Motor Company corresponded periodically with its German subsidiary throughout the late 1930s and up to the U.S. entry into the war in December 1941. Research to date has located more than 180 letters exchanged between Ford and Ford-Werke pertaining to a variety of business matters in the period

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<sup>613</sup> NARA, RG 131, Entry 247, Box 131, Lawler Report, pp.1-3, circa 1943 (NARA 0001397-0001399), Exhibit 13, Cole to Secretary of State, July 11, 1942 (NARA 0001485-0001487).

between 1938 and 1941.<sup>614</sup> In April 1938, Charles Sorensen and Sir Percival Perry traveled to Germany to attend the Ford-Werke board meeting of April 20, 1938. It was the last prewar Ford-Werke board meeting with an American or British member present.<sup>615</sup> Heinrich Albert and Alfons Streit, Ford-Werke technical director, traveled to the United States in early 1939 to meet with Henry and Edsel Ford and Sorensen.<sup>616</sup> The last American working at Ford-Werke, Valentine Tallberg, the Cologne plant's chief engineer at the time, was strongly advised to leave Germany by American diplomatic officials shortly before the German invasion of Poland in September 1939.<sup>617</sup>

Correspondence between Ford and Ford-Werke became more restricted once the war began in Europe. Ten days after the German invasion of Poland, Erhard Vitger visited Ford of Denmark to discuss exports, raw materials agreements and other matters, and advised that "it would not be possible to mail any more reports to Dearborn, nor to England."<sup>618</sup> Likewise, Albert wrote

to Sorensen on November 27, 1939, explaining that new government rules and regulations had been issued which limited "giving information to foreigners, even if and when they belong to the organisation of the company as members of the board or as shareholders. The essence of these rules is that we practically have to confine ourselves to the most important items of the balance sheet. Everything else cannot be mentioned in the reports."<sup>619</sup>

In spite of these restrictions, representatives of Ford and Ford-Werke communicated on issues relating to the European occupation in the wake of German military successes in spring 1940. Ford received several reports concerning the conditions of Ford plants in the occupied countries of Holland, Belgium and France.<sup>620</sup> In addition, Albert wrote to Sorensen on September 18, 1940, regarding the appointment of Carl Krauch, I.G. Farben chairman, to the Ford-Werke Board of Directors, replacing I.G. Farben general manager Carl Bosch, who had died earlier that year.<sup>621</sup>

The number of communications between Ford and Ford-Werke diminished significantly in 1941, although regular correspondence between the two entities continued until the U.S. entry into the war. Robert Schmidt wrote to Edsel Ford on January 10, 1941, in regard to the situation in the occupied areas. At the end

<sup>614</sup> These include reports on: controls over the automotive industry imposed by the Nazi government; see HFM, Acc. 38, Box 50, File: Germany 1938, Albert to Sorensen, December 15, 1938 (HFM 0000294); requests for the loan of skilled draftsmen for the Cologne plant; see FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Schmidt to Sorensen, June 22, 1939 (FMC 0003166-0003168); correspondence relating to parts shipments; see HFM, Acc. 712, Box 12, File: Speedometer, Purchasing Department to Stahlberg, July 27, 1938 (HFM 0005328); and quarterly reports on business operations; see FMC, AR-75-62-616, Box 2, File: Germany-Cologne 1938-1948, Manager's Report to Directors, 2nd Quarter 1939, August 1, 1939 (FMC 0015443-0015452).

<sup>615</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 146A, Meeting Minutes, April 20, 1938 (NARA 0000368-0000369); for English translations, see NARA 0005881-0005884).

<sup>616</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo on conversation with CIC - Cologne, June 11, 1945 (NARA 0006985); FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Schmidt to Gnau, May 4, 1939 (FMC 0003170). Albert came to New York to discuss a proposal to build a foundry at Ford-Werke. The proposal was not approved. Albert concluded that Henry Ford had received advice, possibly from the government, not to get involved in the expansion at that time because of Germany's situation. See NARA, RG 56, Acc. 56-69A-4707, Box 81, File: Interrogations, Misc., Report on Discussion with Albert, September 18, 1945 (NARA 0007154).

<sup>617</sup> At the request of Schmidt, Tallberg returned to Germany from May to September 1940; see HFM, Acc. 65, Box 72, File: Tallberg (214) Final 72-1, Reminiscences of V.Y. Tallberg, July 1956 (HFM 0004862-0004865).

<sup>618</sup> HFM, Acc. 415, Box 1, File: Ford-Werke Audit Reports, Power to Moeke, Loughran and Roberge, October 12, 1939 (HFM 0003846). Vitger said that he would attempt to maintain communications with Ford Motor Company via Ford of Denmark.

<sup>619</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, November 27, 1939 (FMC 0003161-0003163). See also Albert to Sorensen, July 11, 1940 (FMC 0003146-0003148), in which Albert wrote that he could report only on Ford-Werke's "most pressing problems," since there were "restrictions imposed on communicating with foreign countries."

<sup>620</sup> See, for example, FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Tallberg to Gnau, July 6, 1940 (FMC 0003139-0003140); HFM, Acc. 6, Box 321, File: 1940 Correspondence, Albert to Edsel Ford, July 11, 1940 (HFM 0001475-0001477), Albert to Edsel Ford, September 18, 1940 (HFM 0001470-0001471); HFM, Acc. 6, Box 329, File: 1941 Ford-Werke, Schmidt to Edsel Ford, September 19, 1940 (HFM 0000553-0000555).

<sup>621</sup> FMC, AR-65-1500, Box 6, File: Germany 1939-1945 (Sorensen), Albert to Sorensen, September 18, 1940 (FMC 0003144-0003145).



of the correspondence, Schmidt assured Edsel Ford that he would keep him “posted of developments.”<sup>622</sup> Edsel Ford replied to Schmidt on January 30, 1941, to express his appreciation of Schmidt’s “good work on behalf of coordination of Ford plants” and his effort to reinstate Ford of France managers.<sup>623</sup> Albert wrote to Edsel Ford, and Vitger wrote to B.J. Craig, secretary-treasurer of Ford Motor Company, concerning the increase in Ford-Werke’s capital approved at the shareholders meeting of March 24, 1941.<sup>624</sup> On November 12, 1941, Sorensen sent a telegram to

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<sup>622</sup> NARA, RG 131, Entry 247, Box 131, Lawler Report, Exhibit 5, Schmidt to Edsel Ford, January 10, 1941 (NARA 0001472).

<sup>623</sup> HFM, Acc. 6, Box 344, File: Telegrams 1941, Edsel Ford to Schmidt, January 30, 1941 (HFM 0000026).

<sup>624</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 46, Vitger to Craig, May 13, 1941 (NARA 0000141); HFM, Acc. 6, Box 329, File: Subject File - 1941 - Ford Motor Co. - Cologne, Albert to Edsel Ford, April 1, 1941 (HFM 0000581).

<sup>625</sup> HFM, Acc. 1, Box 173, File: FMC - Branch - Foreign - Germany - 1914-1945 and Undated (173-27), Sorensen to Schmidt, November 12, 1941, Schmidt and Albert to Sorensen, November 17, 1941 (HFM 0006820-0006821).

<sup>626</sup> Ford-Werke Records, Wibel to Schmidt, November 28, 1941 (FW 0001820), Schmidt to Wibel, November 25, 1941 (FW 0001821), Schmidt to Wibel, October 16, 1941 (FW 0001822), Loughran to Schmidt, October 30, 1941 (FW 0001829), Schmidt to Loughran, October 20, 1941 (FW 0001830), Schmidt to Loughran, September 13, 1941 (FW 0001832-0001833).

<sup>627</sup> Ford-Werke Records, Wibel to Schmidt, November 28, 1941 (FW 0001820). An internal Ford Motor Company Patent Department memo in 1944 indicated that there had been no communications with Ford-Werke since 1941: “Since the war, we have had no contact whatever with the German Ford company and no information has been transmitted by us to the German Ford company or persons acting for them.” See NARA, RG 60, Entry 285B, Box 67, File: Ford - Yokohama, McRae to Roberge, May 20, 1944 (NARA 0003873). After the war, Schmidt wrote to Lord Perry, confirming that contact by cable and letter was made with Edsel Ford and Charles Sorensen only until the “outbreak of war with the USA prevented further negotiations.” See NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000481-0000482). In an interview with U.S. military authorities, Oscar Bornheim, a former employee of Ford-Werke, claimed that Erhard Vitger was a confidant of Henry Ford and had “been in communication via radio-telephone with [Ford Motor Company] subsequent to 1942.” Bornheim stated further that Vitger had informed him that Ford of Hungary had also been in contact with Ford Motor Company. However, there is no direct evidence of this, and U.S. Department of Justice officials concluded that no further investigation was warranted; see NARA, RG 60, Entry 114, Classification 146-39, Box 4, File: 146-39-24, Hoover to Clark, December 16, 1944 (NARA 0003163) and Clark to Hoover, January 22, 1945 (NARA 0003165).

Schmidt asking if Cologne and the associated plants were operating, and if all were well. Schmidt and Albert sent a reply five days later reporting that all Ford plants were operating and all managers and executives were well.<sup>625</sup> In the autumn of 1941, Schmidt exchanged a series of cables with W.R. Loughran of Ford’s purchasing department and A.M. Wibel of Ford Motor Company in New York about licensed use of gears in Holland, Belgium and Germany.<sup>626</sup> A message from Wibel about the gears on November 28, 1941, was the last known direct communication between Ford and Ford-Werke until after the war.<sup>627</sup>

### 9.3. Communications Between Ford and Ford of France, 1939-1941

Maurice Dollfus, managing director of Ford of France, kept up a constant flow of correspondence with Edsel Ford and Charles Sorensen, from whom he received assistance and advice.<sup>628</sup> In March 1939, while Dollfus was a guest at Edsel Ford’s home in Florida, the three executives met on Edsel Ford’s boat to discuss manufacturing aircraft engines for the French government.<sup>629</sup> Dollfus continued to refer to those “happy days”<sup>630</sup> in communications with Edsel Ford after the fall of France in June 1940.<sup>631</sup> Other topics of correspondence included production and the status of machinery as well as matters of business

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<sup>628</sup> NARA, RG 60, Entry 114, Classification 146-39, Box 4, File: 146-39-24, Bookstaver to McInerney, August 5, 1943 (NARA 0003159). In a postwar interview, Dollfus called Edsel Ford “a remarkable man. I became one of his friends. I liked him and I think he liked me. Edsel was open to the French mind.” See FMC, Acc. 880, Box 6, File: France Interviews, Interview with Maurice Dollfus, September 13, 1960 (HFM 0000864). See also HFM, Acc. 6, Box 321, File: Asnières, Edsel Ford to Dollfus, September 12, 1938 (HFM 0001268) and Dollfus to Edsel Ford, September 23, 1938 (HFM 0001267).

<sup>629</sup> HFM, Acc. 6, Box 314, File: Subject File 1939 - Ford Motor Co. - Subsidiary Asnières, Memo by Moekle on conferences with Dollfus, March 17, 1939 (HFM 0007256-0007257); Dollfus to Edsel Ford, May 9, 1939 (HFM 0007266); Dollfus to Edsel Ford, May 15, 1939 (HFM 0007259).

<sup>630</sup> HFM, Acc. 6, Box 314, File: Subject File 1939 - Ford Motor Co. - Subsidiary Asnières, Dollfus to Edsel Ford, April 6, 1939 (HFM 0007262).

<sup>631</sup> HFM, Acc. 6, Box 321, File: 1940 Correspondence, Dollfus to Edsel Ford, November 30, 1940 (HFM 0001455), Box 329, File: Asnières, Dollfus to Edsel Ford, March 10, 1941 (HFM 0001311).

administration, such as company organization, mergers and pricing.<sup>632</sup> Dollfus wrote to Edsel Ford on July 18, 1940, to inform him that Ford of France had delivered a large number of spare parts as well as trucks and passenger vehicles to the German authorities, who had “shown clearly their wish to protect the Ford interest as much as they can.”<sup>633</sup> Sorensen replied on August 19, 1940, stating that Ford was pleased to know that Ford of France could still conduct business despite the war.<sup>634</sup> Dollfus sent a letter to Edsel Ford, dated August 31, 1940, informing him that Ford of France’s entire production had gone to the German authorities. Dollfus also advised Edsel Ford that he had met with Adolph von Schell, the German official responsible for the motor industry, and that Henry and Edsel Ford’s attitude “of strict neutrality [had] been an invaluable asset for the protection of [their] companies in Europe.”<sup>635</sup>

#### 9.4. Communications with Ford Subsidiaries in Neutral Countries, 1939-1941

Both Ford Motor Company and Ford-Werke continued to have contact with subsidiaries in neutral countries during the war years, although there is no indication of communication with each other through these subsidiaries. According to a travel report by Alfons von Gusmann, head of Ford-Werke’s government liaison office, three Ford officials visited

Ford of Spain in 1939 in an attempt to redirect business toward England and the United States and away from Ford-Werke.<sup>636</sup> Furthermore, Ford of Britain, which remained in contact with Ford of Spain throughout the war, instructed Ford of Spain in 1940 not to pursue trade relations in enemy territory.<sup>637</sup> In 1941, von Gusmann visited Ford of Spain and Ford of Portugal for the purpose of selling components from Ford-Werke. However, he reported that he had found the Ford of Spain representatives “extremely unforthcoming in respect to business-related information.” In his report of the visit with Guilherme Nadal, manager of Ford of Portugal, von Gusmann noted: “Even though it wasn’t openly admitted, it may well be the case that they had been instructed by Britain to refrain from doing business with Cologne.”<sup>638</sup> Still, Ford-Werke continued to try to generate business with Ford of Portugal. In a letter to Ford of Britain, Nadal reported that Ford of Portugal executives had been invited to an automotive exhibition in Vienna. When the Portuguese managers declined, Ford-Werke had the German legation in Lisbon forward a communication to Ford of Portugal indicating that the German company was in a position to supply Taunus cars.<sup>639</sup>

#### 9.5. Communications Between Ford and Ford of France, 1942-1944

From December 1941 through October 1942, the U.S. State Department facilitated communication between Ford Motor Company and Ford of France by

<sup>632</sup> For an overview of communication between Ford Motor Company and Ford of France, see NARA, RG 131, Entry 247, Box 131, Lawler Report, circa 1943 (NARA 0001394-0001465).

<sup>633</sup> HFM, Acc. 6, Box 321, File: Asnières, Dollfus to Edsel Ford, July 18, 1940 (HFM 0000103-0000104).

<sup>634</sup> NARA, RG 60, Entry 114, Classification 146-39, Box 4, File: 146-39-24, Foreign Funds Control memo, May 25, 1943 (NARA 0003168-0003169).

<sup>635</sup> HFM, Acc. 6, Box 321, File: Asnières, Dollfus to Edsel Ford, August 31, 1940 (HFM 0000123-0000125).

<sup>636</sup> Ford-Werke Records, Travel Report by von Gusmann on Spain/Portugal, August 23, 1941 (FW 0001805); see also NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001564).

<sup>637</sup> NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, American Embassy, London, to Secretary of State, September 21, 1943 (NARA 0002022-0002023).

<sup>638</sup> Ford-Werke Records, Travel Report by von Gusmann on Spain/Portugal, August 23, 1941 (FW 0001805). For information about Ford of Britain’s role, see Ford of Britain Records, Memo attached to letter from secretary of Ford Motor Company Ltd. to McCombe, May 23, 1940 (FMCL 0000060-0000063, especially 0000061). The memo indicated that letters were sent to the management of Ford of Spain, Ford of Portugal and Ford of Italy to inform them that no business involving trading with the enemy should take place except in special circumstances, which in all cases should be referred to the chairman of Ford of Britain before any contracts were negotiated.

<sup>639</sup> FMC, AR-98-213541, Box 15, File: Miscellaneous, Nadal to Hampson, October 23, 1941 (FMC 0011381). After the war, the British government noted that Ford-Werke’s attempts to use diplomatic channels to do business with Ford of Portugal had been unsuccessful. See NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001564).

delivering letters via the American Embassy at Vichy.<sup>640</sup> Research to date has located a total of 13 messages sent from Ford of France to Ford between January and October 1942, and five messages from Ford to Ford of France during this same period. Dollfus wrote to Edsel Ford on January 28, 1942, and reported, "I had and still have difficulties arising from the state of war, I am doing my best and I obtained a [sic] support from the French government in order to preserve the interests of the American shareholders."<sup>641</sup> On March 17, 1942, an official at the American Embassy in Vichy wrote to the Secretary of State to convey a message to Edsel Ford from Georges Lesto, assistant manager of Ford of France, about a Royal Air Force (RAF) attack on the Poissy plant, which was producing trucks for the German army.<sup>642</sup> In a memorandum dispatched via the U.S. Embassy in Vichy on June 9, 1942, Lesto informed Edsel Ford that the French government had guaranteed payment of war damages and that the future of the French company was secure.<sup>643</sup>

Dollfus wrote to Edsel Ford on June 6, 1942, thanking him for a cable asking about the health and status of the company in the aftermath of the bombings that had damaged the plant on March 8 and April 2 and 3. (He mentioned that one more bomb since then had caused little damage.) Dollfus wrote that he had tried

to send a letter after the first bombing, but doubted that it had been received. Everyone was in good health and good spirits. Communication had been difficult, he wrote, but he had been able to disperse the machinery and equipment throughout the country, and he hoped that when peacetime came, the organization would be able to carry on as well or better than it had previously. Dollfus said he had a letter from the French government promising that money and material would be advanced in addition to full payment for damages. Because correspondence was limited, Dollfus hoped that Edsel Ford would show the letter to his father and to Charles Sorensen.<sup>644</sup> Edsel Ford wrote back to Dollfus on July 17, 1942, and stated that he was pleased to know that the organization was in "good health" and that Dollfus was "carrying on the best way possible under the circumstances." Edsel Ford added, "I have shown your letter to my father and to Mr Sorensen, and they both join me in sending best wishes to you and your staff, and the hope that you will continue to carry on the good work that you are doing."<sup>645</sup> The U.S. Treasury Department, in an investigation begun after Ford of France set up a new African subsidiary (See Section 9.1.), cited this sentence as proof of Edsel Ford's approval of Dollfus' actions to increase the activity of Ford of France on behalf of the Germans.<sup>646</sup> However, the U.S. Justice Department found that the Treasury report contained "a good deal in the way of opinion, argument and conjecture . . ." The Justice Department determined that the language of Edsel Ford's letter was

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<sup>640</sup> See, for example, NARA, RG 59, Central Decimal File 1940-44, Box 1174, File: 351.115, Tuck to Secretary of State, September 21, 1942 (NARA 0005407); HFM, Acc. 6, Box 335, File: Ford Motor Company - Asnières, Long to Edsel Ford, June 3, 1942 (HFM 0001350), Long to Edsel Ford, September 19, 1942 (HFM 0001341) and Edsel Ford to Long, October 8, 1940 (HFM 0001340).

<sup>641</sup> NARA, RG 131, Entry 247, Box 131, Lawler Report, Exhibit 15, Dollfus to Edsel Ford, January 28, 1942 (NARA 0001492-0001493). See also Exhibit 13, Cole to Secretary of State, July 1, 1942 (NARA 0001485-0001487); and HFM, Acc. 6, Box 329, File: Asnières, Dollfus to Edsel Ford, March 10, 1941 (HFM 0001308-0001311).

<sup>642</sup> NARA, RG 59, Central Decimal File 1940-44, Box 1174, File: 351.115, Leahy to Secretary of State, March 17, 1942 (NARA 0005411-0005414). In the spring of 1942, Ford of France also communicated with Ford Motor Company through the U.S. Embassy in an attempt to acquire a visa for Lesto to travel to the United States to meet with company executives. However, in a communication to the U.S. Embassy in Vichy on May 19, 1942, Secretary of State Cordell Hull wrote that Ford Motor Company "questions desirability of Lesto visit at this time issuance of visa is not (repeat not) authorized." See NARA, RG 84, Entry 2490, Box 10, File: 711, Hull to U.S. Embassy, Vichy, May 19, 1942 (NARA 0006916).

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<sup>643</sup> HFM, Acc. 6, Box 335, File: Asnières, Translated memo from Lesto, June 9, 1942 (HFM 0000154). In a postwar interview, Lesto described himself as the liaison man between the Ford French company [Ford of France] and the German authorities. Lesto said that he had gone to Dearborn to meet with Edsel Ford early in the war and was moved by Edsel Ford's insistence that the French company remain independent. The words "independent operations" in a letter from Edsel Ford were "a Bible" for Lesto and others at the French company during wartime. Lesto said those words were invoked to counter some of the actions that Robert Schmidt wanted to take after he had been given control over Ford operations in occupied Europe. See FMC, AR-98-213542, Interview with Georges Lesto, June 9, 1960 (FMC 0017372-0017373).

<sup>644</sup> HFM, Acc. 6, Box 335, File: Asnières, Dollfus to Edsel Ford, June 6, 1942 (HFM 0000152-0000153).

<sup>645</sup> HFM, Acc. 6, Box 335, File: Asnières, Edsel Ford to Dollfus, July 17, 1942 (HFM 0000151).

<sup>646</sup> NARA, RG 131, Entry 247, Box 131, Lawler Report, circa 1943 (NARA 0001454).

“so general as to constitute nothing more than a polite expression of appreciation from a superior to one who has acted as a loyal subordinate.” (See Section 9.3. for more detail on the relationship between Dollfus and Edsel Ford.) Moreover, the Justice Department noted, the death of Edsel Ford [in May 1943] made any discussion as to criminal liability purely academic.<sup>647</sup> The assistant attorney general assigned to the case concluded that while the 1942 letters did appear to have been a violation of the Trading with the Enemy Act (See Section 9.1. regarding this law), criminal proceedings would not be advisable, and further investigation was not justified.<sup>648</sup>

After November 11, 1942, when the Germans completed their occupation of France and the U.S. Embassy at Vichy closed, incidences of communication between Ford Motor Company and Ford of France became increasingly rare. On December 23, 1942, W.K. Edmunds of Ford Motor Company in Edgewater, New Jersey, forwarded an unsigned note for Edsel Ford from Ford of France. The letter, forwarded to A.J. Lepine, Edsel Ford’s assistant, indicated that Dollfus had been able to keep Ford assets intact, despite difficulties.<sup>649</sup> The research has uncovered only one message sent from Ford of France to Ford from that point in 1942, until the liberation of France in August 1944: On June 1, 1943, Dollfus sent a condolence letter to Henry Ford via Portugal after learning about the death of Edsel Ford. At the end of his message, Dollfus stated that he was uncertain whether or not the letter would reach Dearborn. In fact, it was not received in Dearborn until November 10, 1943.<sup>650</sup> No wartime communication has been found from Ford Motor Company to Ford of

France after Edsel Ford’s July 17, 1942, letter to Dollfus.<sup>651</sup>

## 9.6. Ford-Werke Communications with Neutral Countries, 1942-1944

Throughout the later years of the war, Ford-Werke continued to have contact with Ford representatives in neutral countries. Ford-Werke representatives visited Ford of Spain several times in 1942 and again in 1943 to discuss the possibility of selling parts to the Spanish subsidiary.<sup>652</sup> Robert Schmidt and his assistant, Carl Paul, visited Portugal in June 1943 and met with Ford of Portugal managers to offer parts built at Ford-Werke. The Portuguese managers, however, explained that “all their requirements were met by the United States and England.” During that visit, Schmidt stated that Ford-Werke had set up an export branch in Switzerland for the purpose of trading with neutrals. As soon as Schmidt and Paul departed, the Ford of Portugal managers reported the visit to the American Legation in Lisbon.<sup>653</sup> Ford-Werke also had contact with Ford agents in Switzerland and Turkey relating to business dealings.<sup>654</sup>

## 9.7. Ford Communications with Neutral Countries, 1942-1944

Ford and Ford of Britain also maintained contact with subsidiaries located in neutral countries. In early 1943, Edsel Ford had the State Department forward a message to Ford of Sweden stating that Ford of Sweden should not pay any dividends to Ford of Denmark (which owned 60 percent of Ford of Sweden) until

<sup>647</sup> NARA, RG 60, Entry 114, Classification 146-39, Box 4, File: 146-39-24, Bookstaver to McInerney, August 5, 1943 (NARA 0003159-00003162).

<sup>648</sup> NARA, RG 60, Entry 114, Class 146-39, Box 12, File: 146-39-24, Clark to Hoover, January 22, 1945 (NARA 0003165).

<sup>649</sup> HFM, Acc. 6, Box 335, File: Asnières, Unsigned, undated note to Edsel Ford, translated January 2, 1943 (HFM 0001336) and telegram from Edmunds to Lepine, December 23, 1942 (HFM 0001337).

<sup>650</sup> HFM, Acc. 285, Box 2661, File: Edsel Ford Sympathy Letters 363-10 F, Dollfus to Henry Ford, June 1, 1943 (HFM 0004091-0004092).

<sup>651</sup> NARA, RG 60, Entry 114, Classification 146-39, Box 4, File: 146-39-24, Bookstaver to McInerney, August 5, 1943 (NARA 0003160).

<sup>652</sup> FMC, AR-98-213541, Box 14, File: Misc., Ubach to Cooper, November 12, 1943 (FMC 0008243-0008246).

<sup>653</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832).

<sup>654</sup> NARA, RG 84, Entry 3223, File: Fi-Fo, Altaffer to Reagan, June 1, 1942 (NARA 0000886-0000888), Sholes to Harrison, June 1, 1942 (NARA 0000891-0000892); NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Translated memo from Buchwald to Gestapo, February 25, 1943 (NARA 0006991-0006994); BA-L, R 87/6208 Audit Report by Knipprath for 1943 (BAL 7623); NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, Anglo-Egyptian censorship report, January 17, 1944 (NARA 0002013-0002014).

conditions in that German-occupied country were further “clarified.” He also had a cable sent to Ford of Britain’s Lord Percival Perry to request that Ford of Britain, which owned 60 percent of Ford of Denmark, send the same instructions to Ford of Sweden via the British Foreign Office.<sup>655</sup>

As part of an effort to construct an economic blockade against German-occupied Europe, the U.S. government’s Foreign Funds Control European Enforcement Division appealed to Ford Motor Company in spring 1944 to send a request to Ford of Sweden to cease importing automobiles from Ford of Denmark. Ford of Britain was asked to send the same message to Ford of Sweden. In addition, Ford was instructed to send a request to Ford of Finland, a subsidiary of Ford of Sweden, to discontinue trading with the enemy.<sup>656</sup> Ford of Britain and Ford sent the messages as requested.<sup>657</sup>

Ford agents in Switzerland contacted Ford of Britain in 1944 about a plan to manufacture or import parts, but Ford of Britain responded that it did not wish to take part in this scheme, nor did it approve of the Swiss agents’ using the Ford brand name. Also in 1944, the manager of Ford of Belgium’s Zurich office, which had been placed on the Proclaimed List for not severing relations with Germany, contacted Ford of Britain. The manager, who had not received salary or travel expenses

from Ford of Belgium, requested payment from Ford of Britain, which answered that it would not be able to honor the request.<sup>658</sup>

## 9.8. Restoration of Communications with Europe

The Allied forces liberated France in late August 1944. In October 1944, Russell Roberge, the Ford executive who managed the company’s foreign business, wrote to the U.S. Foreign Service Administration to ask about the status of subsidiaries in formerly occupied territories. The State Department, on behalf of Ford, wrote to various American diplomatic offices abroad seeking information on Ford’s operations in areas formerly under Axis control.<sup>659</sup> Maurice Dollfus visited Ford in Dearborn in December 1944, and provided information about Ford of France.<sup>660</sup> Also in December 1944, James van Luppen, Ford of Belgium’s assistant manager, visited Ford of Britain, bringing with him a diary of wartime events affecting Ford of Belgium.<sup>661</sup>

In late December 1944, Henry Ford II requested that Dollfus report on conditions at Ford-Werke, since no information had been received about the Cologne plant since 1941.<sup>662</sup> Responding to Henry Ford II’s request, on March 15, 1945, Dollfus sent a telegram to Dearborn about the Ford-Werke plant and machinery, and promised a more detailed survey at a later date.<sup>663</sup>

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<sup>655</sup> NARA, RG 59, Central Decimal File 1940-44, Box C131, File: 840.51, Roberge to Cunningham, March 3, 1943 (NARA 0005486). For a summary of the subsidiary relationships, see FMC, AR-75-62-616, Box 57, File: Investments 1949-1951, Schedule tracing Ford Motor Company investments in overseas locations, August 21, 1951 (FMC 0003337).

<sup>656</sup> NARA, RG 131, Entry 247, Box 473, File: European Enforcement Activity, Foreign Funds Control Monthly Reports on European Enforcement Activities, May 27, 1944 (NARA 0004960) and July 1, 1944 (NARA 0004961); see also NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, Hull to American Legation in Stockholm, June 17, 1944 (NARA 0001825-0001826).

<sup>657</sup> NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, Hull to American Legation - Stockholm, June 24, 1944 (NARA 0001827), American Legation - London to Secretary of State, September 19, 1944 (NARA 0001799-0001801).

<sup>658</sup> NARA, RG 131, Entry 247, Box 131, File: Ford Motor Company, Winant to Secretary of State, August 22, 1944 (NARA 0001760-0001761), Winant to Secretary of State, September 14, 1944 (NARA 0001755-0001757), Winant to Secretary of State, September 21, 1944 (NARA 0001754).

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See “Ford of Spain” in Section 8.4. for more on the Proclaimed List.

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<sup>659</sup> NARA, RG 59, Central Decimal File 1945-1949, Box 1741, File: 356.115, Roberge to Foreign Service Administration, October 13, 1944 (NARA 0005330), Letter to American Mission, Bucharest, February 23, 1945 (NARA 0005337), Letter to American Mission, Helsinki, September 18, 1945 (NARA 0005338), Letter to American Mission, Florence, Italy, September 18, 1945 (NARA 0005339), Letter to American Mission, Amsterdam, Holland, September 18, 1945 (NARA 0005340).

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<sup>660</sup> NARA, RG 84, Entry 2452A, Box 276, File: Correspondence, Lesto to Wood, January 18, 1945 (NARA 0005174).

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<sup>661</sup> FMC, AR-75-62-616, Box 26, File: Belgium stock, Cooper to Roberge, July 8, 1947 (FMC 0002249).

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<sup>662</sup> FMC, AR-65-66, Box 1, unlabeled file, Roberge to Dollfus, December 26, 1944 (FMC 0000664-0000665).

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<sup>663</sup> HFM, Acc. 285, Box 2828, File: 363-78 France 1945-1946, Dollfus to Ford Motor Company, March 15, 1945 (HFM 0005852).

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*Research Findings About Ford-Werke Under the Nazi Regime*

U.S. Army officials asked Ford to send a manager from Ford of Britain to Cologne. This resulted in the visit of three Ford of Britain representatives, led by sales manager Charles Thacker, who remained in Cologne for approximately 10 days in May 1945. U.S. Army officials accompanied the Ford of Britain delegation in inspecting the Ford-Werke Cologne plant.<sup>664</sup> Around the same time, U.S. military authorities requested permission from Gen. Dwight Eisenhower to allow American corporate and industrial representatives, including Roberge, to travel to Europe to assess the motor vehicle situation there.<sup>665</sup>

On May 28, 1945, Robert Schmidt sent a report to

Lord Perry of Ford of Britain informing him of the history of the Cologne plant during the war.<sup>666</sup> Beginning in June 1945, Thacker, as a representative of Ford of Britain, began managing Ford-Werke, under the supervision of the Allied military government.<sup>667</sup>

The first known direct communication between Ford-Werke and Ford after the war was a letter written by Erhard Vitger to Roberge on November 18, 1946, explaining that Sir Stanford Cooper and Sir Patrick Hennessy of Ford of Britain had visited Ford-Werke and that Vitger hoped to visit Ford of Britain at Dagenham.<sup>668</sup>

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<sup>664</sup> NARA, RG 338, Entry 42389, Box 3, File: 15 Army G-5 MG Summaries, Summary No. 96, May 11, 1945 (NARA 0004887-0004888); NARA, RG 331, Entry 34, Box 142, File: 353.02, Gurow to Clark, May 13, 1945 (NARA 0005259); NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Rains to File, July 25, 1945 (NARA 0003557-0003558).

<sup>665</sup> NARA, RG 331, Entry 34, Box 142, File: 353.02, Marshall to Eisenhower, May 15, 1945 (NARA 0005260).

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<sup>666</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 204, Schmidt to Perry, May 28, 1945 (NARA 0000477-0000488).

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<sup>667</sup> Ford-Werke Records, Personnel File of T.K. (FW 0021510-0021511); see also NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, Unlabeled file, Rains to FEBCO Branch, July 25, 1945 (NARA 0006947).

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<sup>668</sup> HFM, Acc. 713, Box 4, File: Cologne Food Situation 1947, Vitger to Roberge, November 18, 1946 (HFM 0003515-0003518).

END - OF - WAR AND POSTWAR  
MILITARY GOVERNMENT  
SUPERVISION

Ford-Werke and other industrial facilities in Cologne were initially administered by American military authorities after U.S. forces captured the city in March 1945. Following the creation of the Allied Control Council, established later that year, Germany was divided into four occupation zones administered by French, American, British and Russian military governments. North Rhine-Westphalia, including Cologne, became part of the British Zone, and Ford-Werke became the responsibility of British officials, who began regulating operations at the plant in the summer and fall of 1945.<sup>669</sup> The Allied military occupation of West Germany ended with the establishment of the German Federal Republic in May 1949.<sup>670</sup>

### 10.1. Initial Period of U.S. Military Control, March-June 1945

In February 1945, American troops began advancing into the western regions of Germany, toward Cologne.

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<sup>669</sup> Nevins and Hill, *Ford: Decline and Birth 1933-1962*, p. 290.

<sup>670</sup> Langer, *An Encyclopedia of World History*, p. 1194.

<sup>671</sup> Nevins and Hill, *Ford: Decline and Rebirth, 1933-1962*, p. 289; Billstein and Illner, "You are now in Cologne. Compliments." pp. 181-188; HFM, Acc. 880, Box 7, File: Germany, Interview with Erhard Vitger, July 15, 1960 (HFM 0000887).

Army units pushed into Cologne on March 5. As the troops moved forward, they exchanged artillery with the Germans on the opposite bank of the Rhine, in the process shelling the Ford-Werke plant. On March 6, the Americans took possession of the plant.<sup>671</sup>

During the first few weeks after the fighting ended, officers from the Supreme Headquarters Allied Expeditionary Force (SHAEF) Civil Affairs Division, responsible for administering Cologne, inspected the plant several times.<sup>672</sup> On March 25, 1945, Maj. Skinner, a military government property control officer, met with Robert Schmidt to discuss possible production at the plant.<sup>673</sup> By the end of the month, U.S. military officials reported that the Ford-Werke facility had been requisitioned to service Army vehicles.<sup>674</sup>

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<sup>672</sup> NARA, RG 331, Entry 54, Box 151, File 17.11, First U.S. Army Report, March 1945, p. 158, E1H2 Report 1, March 10, 1945 (NARA 0004915); NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army MG Attachments, E1H2 Report 3, March 12, 1945 (NARA 0004880-0004881), E1H2 Report 13, March 22, 1945 (NARA 0004879). See also Billstein and Illner, "You Are Now in Cologne. Compliments." p. 173.

<sup>673</sup> NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army MG Attachments, E1H2 Report 16, March 25, 1945 (NARA 0004882).

<sup>674</sup> NARA, RG 331, Entry 54, Box 284, File: 223.32 1st U.S. Army Field Reports, G-5 Summary Report, March 23, 1945 (NARA 0004906-0004907).

From April to June 1945, Ford-Werke operated under the authority of military government property control officers attached to the SHAEF Civil Affairs Division.<sup>675</sup> According to U.S. military reports, the plant was “being operated by or for the army.”<sup>676</sup> Army ordnance officers were assigned to supervise production activities, and all requisitions for parts and materials had to be approved by the 15<sup>th</sup> Army Property Control Officer.<sup>677</sup> American officials established regulations governing employment at the plant, arranged for skilled laborers to be allocated to Ford-Werke and helped relocate workers from elsewhere in the Cologne region. Army officers also helped salvage parts and machinery for use at the facility.<sup>678</sup>

## 10.2. British Military Government Control of Ford-Werke

With the creation of the Allied Control Council, Cologne was occupied by units of the British 21<sup>st</sup> Army Group, and British officials from the Finance Division Property Control Branch took over responsibility for

Ford-Werke operations.<sup>679</sup> In August 1945, the British Property Control Branch outlined a formal program to take control of all foreign-owned property in the British Zone. The program’s principal aim was to protect these properties until the owners could resume control. In the case of manufacturing plants such as Ford-Werke, the plan called for the appointment of a custodian, who would protect the assets and report to the Property Control Branch.<sup>680</sup> The legal basis for these measures stemmed from Military Law No. 52, which granted the military government wide-ranging powers to seize and control German industrial facilities.<sup>681</sup>

On September 26, 1945, Ford-Werke employees were told that the plant was being placed under military government control.<sup>682</sup> Heinrich Albert had asked to be appointed custodian, but the occupation government refused, and instead appointed Erhard Vitger.<sup>683</sup> Nonetheless, Albert was permitted to become custodian of Ford-Werke’s assets in Berlin.<sup>684</sup> In November 1945, the British Military Government Headquarters for North Rhineland announced that Ford-Werke had begun operating under its supervision.<sup>685</sup>

According to Vitger, directors and shareholders had no official authority under British military government control.<sup>686</sup> Additionally, Ford Motor Company needed

<sup>675</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, Unlabeled file, Memo from Rains and Naiden, June 9, 1945 (NARA 0006986); NARA, RG 165, Entry 96, Box 2, File: Volume V, Memo to Hatcher, July 1945 (NARA 0005076-0005082).

<sup>676</sup> NARA, RG 60, Entry 285B, Box 74, TIDC Project 12, p. 23, July 14, 1945 (NARA 0003116); NARA, RG 60, Entry 285B, Box 72, File: IND-30, Report on Reparations from the German Automotive Industry, May 1945 (NARA 0003065).

<sup>677</sup> NARA, RG 338, Entry 42868, Box A905, File: 004, Memo on operation of Ford Motor plant, May 12, 1945 (NARA 0004875-0004876).

<sup>678</sup> NARA, RG 338, Entry 42389, Box 3, File 15 Army MG Detachments, E1H2 Report, April 25, 1945 (NARA 0004885), Summary No. 96, May 11, 1945 (NARA 0004888), Summary No. 97, May 12, 1945 (NARA 0004891).

<sup>679</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo from Rains, July 25, 1945 (NARA 0000580-0000581).

<sup>680</sup> PRO, FO 1046/86, Property Control Instruction No. 13, August 27, 1945 (PRO 0000125-0000126).

<sup>681</sup> PRO, FO1046/526, Memo from Property Control Branch to Chairman, Control Board Economic Sub-Commission, October 5, 1946 (PRO 0000127-0000129); NARA, RG 260, Executive Office, Box 635, Military Law No. 52, April 19, 1945 (NARA 0005524-0005527); NARA, RG 260, Property Division, Directors Office, Box 6, File: Ford-Werke, Clay to Beckworth, April 7, 1948 (NARA 0002469).

<sup>682</sup> Ford-Werke Records, Rolfe to Vitger, September 26, 1945 (FW 0020376-0020380).

<sup>683</sup> Wilkins and Hill, *American Business Abroad*, p. 345. Despite Albert’s implication in the July 1944 uprising against Hitler and Albert’s subsequent arrest by the Germans, the Allied occupation government was suspicious of his wartime record, especially his association with the Arendt plant. (See Section 6.9. regarding Arendt.) Vitger said in a postwar interview that the American officers told him [Vitger]: “[W]e must have somebody who does what we want, and who is responsible only to us. We know you very well, and we believe that you would be the right man for this.” See FMC, AR-98-213541, Box V, Oral History of Erhard Vitger by D.B. Tinnin, April 1987 (FMC 0000575).

<sup>684</sup> Ford-Werke Records, Rolfe to Vitger, September 26, 1945 (FW 0020376-0020380). See also FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000940); and Ford-Werke Records, Business Report for 1944, 1945 and 1946 (FW 0003689).

<sup>685</sup> PRO, FO 1013/2359, North Rhine Province Finance Report for November 1945 (PRO 0000138).

<sup>686</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19,



the permission of the military government to transfer title of company stock.<sup>687</sup> British military government regulations also placed tight restrictions on travel within Germany. In November 1945, shortly after the plant was placed under control, military authorities refused permission for Alfons von Gusmann and Albert to visit from Berlin, noting that Vitger seemed to be doing well managing the plant.<sup>688</sup> Ford-Werke's postwar production activities also were closely regulated by British military authorities. While the plant continued to repair and service military vehicles, it also began producing new trucks under contract with the British occupation government, which had the authority to determine who received the trucks.<sup>689</sup> As the American military had done, British authorities arranged for the transfer of parts and machinery from other German factories to Ford-Werke to increase the plant's production.<sup>690</sup>

The British military government determined steel quota allocations for Ford-Werke and regulated prices charged for spare parts manufactured at the plant.<sup>691</sup> British officials closely regulated trade with other occupied zones within Germany. Foreign currency accounts were frozen and foreign trade was prohibited

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1946 (FMC 0000914). See also Ford-Werke Records, Meeting Minutes, December 16, 1947 (FW 0003967-0003971), which notes that under the terms of Military Law No. 52, shareholders could not meet without the approval of military authorities.

<sup>687</sup> See correspondence in NARA, RG 59, Central Decimal File 1950-1954, Box 1064, File: 262.1141 (NARA 0005594-0005611).

<sup>688</sup> PRO, FO 1013/2364, North Rhine-Westphalia Finance Report, September 30, 1946 (PRO 0000132); WNRC, Acc. 299-68A-0243, Box 540, File 43 - Ford-Werke - Köln - FMC (18/3) (516/g), Letter from Chief of Financial Division, Property Control Branch, November 15, 1945 (DOJ 0010335).

<sup>689</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000924-0000927); Ford-Werke Records, Business Report for 1944, 1945, 1946 (FW 0003689-0003690); FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Report on Ford-Werke, October 15, 1947 (FMC 0000135).

<sup>690</sup> NARA, RG 84, Entry 2527X, Box 1, File: Trade and Industry, Industry and Trade Committee Meeting Minutes for August 28 and August 31, 1945 (NARA 0004813-0004817).

<sup>691</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000924); Ford-Werke Records, Financial Ledger - December 1944-December 1946, Memo from Vitger, October 31, 1946 (FW 0008008); PRO, FO 1039/808, Memo from King, July 18, 1947 (PRO 0000027).

without approval of military authorities.<sup>692</sup> The British military government restricted any further investment in the properties under their control. In 1946, Ford-Werke had to obtain approval before it could purchase roofing materials for plant repairs.<sup>693</sup> And, in November 1947, the Property Control Branch denied a request from Vitger to purchase 312,655 square meters (3.37 million square feet) of land adjoining the Cologne facility for construction of a spare parts assembly plant.<sup>694</sup>

### 10.3. Production During the Military Occupation

Ford-Werke resumed limited operations shortly after Cologne was occupied by U.S. troops. Following a visit to the plant by U.S. property control officers on March 25, 1945, Ford-Werke began servicing and repairing U.S. military vehicles. Ford-Werke also began overhauling captured German trucks for use by Allied forces.<sup>695</sup> After British occupation troops arrived in Cologne, Ford-Werke also provided repair services for the British military.<sup>696</sup> According to author Hanns-Peter

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<sup>692</sup> NARA, RG 260, Executive Office, Box 635, Military Law No. 53, August 1, 1945 (NARA 0005528-0005531); NARA, RG 260, Economics Division, Box 101, File: 451-2 Folder #2, Machinery and Optics Section to Industry Branch, January 14, 1946 (NARA 0004484). See also FMC, Briefing Binder K, Interview with Malcolm McDonald, no date (FMC 0004379-0004380). He stated that production orders from Ford of Britain for Ford-Werke had to be placed through the Allied Control Council, and that trucks produced at the plant could be distributed only to certain approved dealers in Germany.

<sup>693</sup> WNRC, Acc. 299-68A-0243, Box 537, Book 12 - 1.b 1946 (1), Invoice No. 2883/5840, February 13, 1946 (DOJ 0001445).

<sup>694</sup> Approval for the purchase was obtained in June 1948, after Vitger filed an appeal and the military government relaxed its investment restrictions; see correspondence in NARA, RG 260, Property Division, Director's Office, Box 6, File: Ford-Werke (NARA 0002457-0002469); and HFM, Acc. 713, Box 5, File: Correspondence - Vitger - 1948, Vitger to Roberge, June 24, 1948 (HFM 0003466-0003467).

<sup>695</sup> NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army MG Attachments, EIH2 Report 16, March 25, 1945 (NARA 0004882); NARA, RG 338, Entry 42868, Box A905, File: 004, Memo on operation of Ford Motor plant, May 12, 1945 (NARA 0004875-0004876), File: A.G. File, Flanigan to Commanding General, XXII Corps, April 2, 1945 (NARA 0004874).

<sup>696</sup> WNRC, Acc. 299-68A-0243, Box 540, Book 62 - II.c - 1945, Invoice No. RA 1545, June 29, 1945 (DOJ 0009553), Invoice No. RA 1571, July 6, 1945 (DOJ 0009567), Invoice No. 789590, August 15, 1945 (DOJ 0009545).

Rosellen, American and British authorities regarded the Ford-Werke plant as their own and demanded that Ford-Werke repair military vehicles for free.<sup>697</sup> Ford-Werke eventually submitted war damage claims totaling RM 148,956 for repair work undertaken on behalf of the British and American military, and for trucks and tools requisitioned from the plant.<sup>698</sup> (See Section 11.4. for more information on war damage claims.)

On April 27, 1945, the U.S. military command headquarters for the Cologne region authorized the plant to begin assembling trucks from existing spare parts.<sup>699</sup> On V-E Day, May 8, 1945, Ford-Werke produced its first postwar vehicle, a truck for the U.S. Army. Ford-Werke's truck production remained limited during the next months because of damage to the plant and a shortage of raw materials and parts.<sup>700</sup> As it began truck production, Ford-Werke management estimated that around 500 trucks could be assembled from existing supplies.<sup>701</sup> In June 1945, U.S. Civil Affairs Division officials in Cologne reported that the plant had made about 250 trucks but was quickly running out of necessary parts. The military officers proposed to procure the needed supplies from stocks stored elsewhere in Germany and from Ford facilities in France and Belgium.<sup>702</sup> At the beginning of July 1945, U.S. military officials noted that the facility was more active than it had been a month earlier, and that

production levels had reached more than 60 vehicles per month.<sup>703</sup> However, after visiting the plant two weeks later, a U.S. War Department committee investigating the European automotive industry reported that Ford-Werke's current production was only 12 vehicles per month, though it was planning to increase to 100.<sup>704</sup> In addition to manufacturing spare parts and continuing to service and repair British military vehicles, the facility produced 2,443 vehicles by the end of 1945.<sup>705</sup>

Under general plans for German industry developed by the Allied Control Council in 1946, Ford-Werke was scheduled to be the only automobile manufacturer in the British Zone with an anticipated annual production quota as high as 20,000 autos and 18,000 trucks.<sup>706</sup> Although the plant's full production capacity was an estimated 1,750 trucks per month, Ford-Werke's monthly production rate in mid-1946 was 550-600 vehicles because of "the acute shortage of steel, tyres, and wood."<sup>707</sup> Ford-Werke produced 4,649 trucks during 1946, in addition to reconditioning motors for the British occupation government.<sup>708</sup> Despite encountering difficulties due to shortages of materials and power to operate the plant, Ford-Werke was able to generate a profit in 1946. Ford of Britain employee Cyril B. Lonsdale, who was assigned to Cologne during this period, attributed much of Ford-Werke's 1946

<sup>697</sup> Hanns-Peter Rosellen, *Ford-Schritte: Die Wiederaufstieg der Ford-Werke Köln von 1945 bis 1970* (Frankfurt: Zyklam-Verlag, 1987/88), p. 16.

<sup>698</sup> WNRC, Acc. 299-68A-0243, Box 540, Book 62 - II.c - 1945, Summary of war damage claims, 1945-1946 (DOJ 0009511). The summary lists a total of RM 190,718.91, of which RM 41,763 was for hours not worked due to air raids. Initially, the claims were submitted directly to the U.S. and British occupation forces. Later, the claims were submitted to the Occupation Office in Cologne. Several of the claims apparently were disapproved for lack of sufficient proof or other reasons related to the filing requirements.

<sup>699</sup> NARA, RG 338, Entry 42868, Box A905, File: 004, Memo on operation of Ford Motor plant, May 12, 1945 (NARA 0004875-0004876).

<sup>700</sup> Billstein and Illner, "You Are Now in Cologne. Compliments." pp. 181-188; HFM, Acc. 713, Box 4, File: Cologne 1946, Thumbnail Sketch of Activities at Ford-Werke, June 12, 1946 (HFM 0003503); FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000918).

<sup>701</sup> NARA, RG 338, Entry 42868, Box A905, File: 004, Memo on operation of Ford Motor plant, May 12, 1945 (NARA 0004875).

<sup>702</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, EIH2 report on FMC in France, Belgium and Germany, June 15, 1945 (NARA 0005636).

<sup>703</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo from Rains, July 25, 1945 (NARA 0000580).

<sup>704</sup> NARA, RG 165, Entry 96, Box 2, Volume V, Report from Committee to Reappraise the Automotive Situation in ETO and MTO, July 1945 (NARA 0005082).

<sup>705</sup> Ford-Werke Records, Business Report for 1944, 1945, 1946 (FW 0003690).

<sup>706</sup> NARA, RG 59, Central Decimal File 1945-49, Box 6820, File: 862.659, Murphy to Lyon, April 19, 1946 (NARA 0005506); PRO, FO 1039/808, Memo from Portas, December 31, 1946 (PRO 0000023).

<sup>707</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000919).

<sup>708</sup> FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Thornton to Crusoe, October 22, 1947 (FMC 0000129); Ford-Werke Records, Business Report for 1944, 1945, 1946 (FW 0003690).

**Overview of Ford-Werke Postwar Production, May 1945-1949**

	<b>Three-ton Trucks</b>	<b>Taurus Cars</b>	<b>Half-ton Vans</b>	<b>Yearly Total</b>
<b>May-Dec 1945</b>	2,443			2,443
<b>1946</b>	4,649	-	-	4,649
<b>1947</b>	2,600	-	-	2,600
<b>1948</b>	5,731	182	144	6,057
<b>1949</b>	3,823	11,109	2,425	17,357
<b>Total production May 1945-1949</b>	19,246	11,291	2,569	33,106

Sources: Ford-Werke Records, Business Report for 1944, 1945, 1946 (FW 0003689-0003691), Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910).

success to the goodwill of British military authorities. He cited a 1945 arrangement whereby Ford of Britain representatives were allowed into the Cologne operations to facilitate the early rehabilitation of the factory. Also, he noted, Ford-Werke benefited from the cooperation of military authorities in obtaining materials.<sup>709</sup> According to political scientist Simon Reich, Ford-Werke's "good relationship with the military government" was an advantage for the firm and led to Ford-Werke's receiving machinery confiscated by the military authorities from the Krupp concern.<sup>710</sup>

Production levels dropped in 1947 because of continued "difficulties in obtaining an adequate flow of supplies."<sup>711</sup> Steel allocations to the plant dropped sharply during the first three quarters of the year, to an average of 710 tons per month, compared with 1,280

tons per month in 1946. In November 1947, Erhard Vitger submitted a request to the British military government for the purchase of land from the city of Cologne to be used as the site of a foundry and forge needed to manufacture parts that were in short supply and therefore were limiting Ford-Werke's output.<sup>712</sup> Total truck production for the year amounted to about 2,600 vehicles.<sup>713</sup> In addition, the plant reconditioned more than 26,000 motors for German, British and Canadian vehicles.<sup>714</sup> During 1947, Ford-Werke faced increased competition from other automobile manufacturers in Germany. In the British zone, the Volkswagen facility in Wolfsburg was operating with a monthly production rate of approximately 1,000 passenger cars. Opel's plant at Brandenburg in the Russian zone was producing 1,500 to 2,000 trucks per month, while the Opel plant at Russelsheim in the American zone was manufacturing about 200 trucks per month. By the end of the year, the Russelsheim plant had begun passenger car production.<sup>715</sup>

Ford-Werke production levels climbed in 1948 and 1949, the last two years of the military occupation. In

<sup>709</sup> HFM, Acc. 713, Box 4, File: Cologne - Dagenham File Re: Germany 1947, Memo from Lonsdale, May 28, 1947 (HFM 0004209). Lonsdale indicated that Ford of Britain's ability to insert British personnel into Cologne at such an early date enabled Ford-Werke to restart operations at Cologne "before any other factory in the Motor Industry in Germany."

<sup>710</sup> Reich, *The Fruits of Fascism*, p. 133.

<sup>711</sup> FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Thornton to Crusoe, October 22, 1947 (FMC 0000129); HP, Acc. 61-000417, Box 1, German War Recovery Study - 1950, pp. 136-139 (HP 0000324-0000327).

<sup>712</sup> NARA, RG 260, Property Division, Director's Office, Box 6, File: Ford-Werke, Vitger to Property Control Branch, November 29, 1947 (NARA 0002459-0002464).

<sup>713</sup> Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910), Historical Developments 1925-1969 (FW 0002877).

<sup>714</sup> Ford-Werke Records, Chronology of Ford-Werke, 1945-1948 (FW 0020401).

<sup>715</sup> FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000863-0000864). See also Reich, *The Fruits of Fascism*, pp. 144-146.

March 1948, Henry Ford II visited the plant for a board meeting and drove the 10,000th vehicle to come off the assembly line since the end of the war.<sup>716</sup> That autumn, the plant began manufacturing the Taunus, the first passenger car produced there since the war. In addition to the Taunus, Ford-Werke began manufacturing a half-ton van. A total of 326 passenger vehicles were manufactured by the end of the year. During 1948, Ford-Werke also produced 5,731 trucks.<sup>717</sup> In 1949, Ford-Werke introduced a new, smaller 1½- to two-ton truck to complement its production of three-ton vehicles.<sup>718</sup> In general, however, plant production largely shifted toward passenger vehicles rather than trucks. Total production at the plant in 1949 amounted to 3,823 trucks, 11,109 Taunus cars and 2,425 half-ton vans.<sup>719</sup>

#### 10.4. Military Government Investigations of the Plant

U.S. military forces began their first investigations of the Ford-Werke facility shortly after occupying Cologne. On March 10, 1945, a combined British and American intelligence team investigated the plant and reported on its condition, the dispersal of factory equipment before the U.S. arrival, and the foreign workers and “displaced persons” who remained encamped in the Ford-Werke air raid shelter.<sup>720</sup> Military intelligence officers interrogated German workers and refugees who had worked at the plant.<sup>721</sup> On March 15, 1945, Maj. F.N. Arnoldy of the

U.S. Strategic Bombing Survey visited Ford-Werke to survey the effects of the U.S. bombing campaign in Cologne. Arnoldy also interviewed Robert Schmidt at his home and gathered information about plant operations, the machinery dispersal and Ford-Werke suppliers.<sup>722</sup>

In addition to these intelligence-gathering efforts, the factory was visited several times between March and May 1945 by representatives of the E1H2 Civil Affairs Unit responsible for administering Cologne. The military officials interviewed Ford-Werke management and reported on conditions at the plant, including the health of foreign workers and refugees found there.<sup>723</sup> Officials also investigated a report by Schmidt that U.S. troops had taken RM 1,000,000 from a Ford-Werke office soon after the occupation of Cologne.<sup>724</sup> Finally, Civil Affairs officers surveyed the plant to determine what was needed to bring the Ford-Werke facility into production to service Allied military vehicles.<sup>725</sup>

In mid-June 1945, Lt. Neil Naiden and Ensign Edwin Rains, who were assigned to the U.S. Military Government Finance Division, began a larger investigation of Ford-Werke. The officers traveled to Cologne, and after consulting with local U.S. military government officials, interviewed Erhard Vitger and Schmidt regarding Ford-Werke’s activities during the war. Naiden and Rains reviewed Ford-Werke internal documents and took several files away with them.<sup>726</sup> U.S.

<sup>716</sup> Ford-Werke Records, Chronology of Ford-Werke, 1945-1948 (FW 0020403-0020405).

<sup>717</sup> Ford-Werke Records, Historical Developments 1925-1969 (FW 0002878), Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910).

<sup>718</sup> Ford-Werke Records, “Our Production Program Ford Cologne,” 1949 (FW 0005591).

<sup>719</sup> FMC, AR-98-213541, Box 52, File: Audit Report - July 28, 1949, Hibberson-Platt Report, July 28, 1949, and August 1949 (FMC 0000813); Ford-Werke Records, Summary of Ford of Germany Production 1926-1977, February 9, 1978 (FW 0003910).

<sup>720</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, C.I.O.S. Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945, document date March 23, 1945, (NARA 0005651-0005656).

<sup>721</sup> RG 407, Entry 427, Box 15071, File: 603-2.13 Civilian interrogation on Ford factory, March 11, 1945 (NARA 0005309).

<sup>722</sup> NARA, RG 243, Entry 6, Box 687, File: 77a19 2 of 3, Arnoldy to Høglund, March 22, 1945 (NARA 0004497-0004499). The U.S. Strategic Bombing Survey also investigated other Ford plants in Belgium; see reports in NARA, RG 243, Entry 6, Box 687, File: 77a19 3 of 3, March 1945 (NARA 0003257-0003335).

<sup>723</sup> NARA, RG 331, Entry 54, Box 151, File 17.11, First U.S. Army Report, March 1945, p. 158, E1H2 Report 1, March 10, 1945 (NARA 0004915); NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army MG Attachments, E1H2 Report 3, March 12, 1945 (NARA 0004880-0004881), E1H2 Report 13, March 22, 1945 (NARA 0004879).

<sup>724</sup> NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army MG Attachments, E1H2 Report 16, March 25, 1945 (NARA 0004882).

<sup>725</sup> NARA, RG 331, Entry 54, Box 284, File: 223.32 1st U.S. Army Field Reports, G-5 Summary Report, March 23, 1945 (NARA 0004906-0004907); NARA, RG 338, Entry 42389, Box 3, File: 15 U.S. Army G-5 MG Summaries, Summary No. 96, May 11, 1945 (NARA 0004887-0004888).

<sup>726</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo from Naiden and Rains, June 9,

military officials inspected Ford-Werke's safe deposit box at the Deutsche Bank branch in Cologne and retrieved Ford of Belgium share certificates worth Bfrs 60,000,000.<sup>727</sup> On June 19, 1945, U.S. military authorities decided to arrest Schmidt, and he was taken to Frankfurt to be "held for questioning in connection with the I.G. Farben investigation" and not released until September 8, 1945. Rains requisitioned Schmidt's car for his own use.<sup>728</sup>

On June 21, 1945, Rains produced a report summarizing the "Preliminary Investigation of Ford-Werke." The report provided an overview of Ford-Werke history during the Nazi era and included references to prewar activities, the use of forced labor and Schmidt's role in overseeing Ford plants in occupied Europe.<sup>729</sup> In July and August 1945, U.S. military authorities continued their investigation of Ford-Werke. Rains interrogated Schmidt, and Schmidt prepared memos describing Ford-Werke activities. U.S. military investigators collected further documents from Ford-Werke.<sup>730</sup> On September 5, 1945, Henry Schneider, U.S. Forces European Theater Finance Branch, submitted a longer report on the investigation of Ford-Werke. Schneider's report described Ford-Werke's wartime activities in greater detail, describing prewar raw materials agreements, wartime production, use of forced labor and Ford-Werke's relationship with other Ford subsidiaries in

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1945 (NARA 0006986-0006988), Memo on conversation with Vitger, June 11, 1945 (NARA 0006980-0006981), Memo on conversation with Schmidt, June 13, 1945 (NARA 0006983-0006984).

<sup>727</sup> The Ford of Belgium shares were not returned to Ford-Werke; see correspondence relating to these shares in WNRC, Acc. 299-68A-0243, Box 540, File 43 - Ford-Werke - Köln FMC (18/3) (516/g) (DOJ 0010256-0010291). See also Section 8.2.

<sup>728</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo from Gosling, June 19, 1945 (NARA 0006973), Handwritten memo to Cleary, circa 1945 (NARA 0006979); NARA, RG 260, Economics Division, Decartelization Branch, Box 92, File: Industrialists, List of German civilian prisoners, November 19, 1946 (NARA 0002443).

<sup>729</sup> NARA, RG 407, Entry 368B, Box 1032, Report on preliminary investigation of the Ford-Werke, AG (External Assets - Germany) by Rains and Naiden, June 21, 1945 (NARA 0001173).

<sup>730</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Handwritten statements by Schmidt, July 1945 (NARA 0007012-0007024) and from Ford-Werke to Schneider, August 27, 1945 (NARA 0006958).

occupied Europe. The report also included a large collection of Ford-Werke internal documents attached as exhibits.<sup>731</sup>

## 10.5. Denazification at Ford-Werke

Military government authorities conducted several investigations at Ford-Werke as part of a broader effort to remove prominent individuals who had been active Nazi party members or supporters. The general aims of the denazification program for Germany were established in February 1945 at the Yalta Conference, which called for the eradication of all vestiges of National Socialism from German life. Shortly after the occupation of Cologne, U.S. military officials began dismissing civil servants and other public officials who had served during the Nazi era.<sup>732</sup> At the Potsdam Conference in July 1945, the Allies agreed to allow each zone to develop its own denazification procedures. After the creation of the British Zone in the summer of 1945, officials from the Public Safety Special Branch took over responsibility for administering the denazification program in Cologne.<sup>733</sup>

During the first months of the Allied occupation, both U.S. and British military officials collected information about high-ranking members of Ford-Werke management. In June 1945, Counter Intelligence Corps (CIC) officers provided reports on Erhard Vitger, Robert Schmidt, Werner Buchwald, Alfons Streit and Hans Löckmann. (Streit and Löckmann were deputy members of the Ford-Werke management board [Vorstand]). (See Section 10.2. for information on the military government's appointment of Vitger as postwar custodian of the plant later in 1945.) On June 11, the CIC officials reported that they had not yet been able to prove that Schmidt was an "ardent Nazi," but were working toward his arrest, which occurred about a week

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<sup>731</sup> NARA, RG 407, Entry 368B, Box 1032, RG 407, Schneider Report, September 5, 1945 (NARA 0000001-0000540). See also NARA RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Ford section omitted from report submitted, circa July-September 1945 (NARA 0006956-0006957).

<sup>732</sup> Reinhold Billstein, *Neubeginn ohne Neordnung. Dokumente und Materialien zur politischen Weichenstellung in den Westzone nach 1945* (Cologne: Pahl-Rugenstein, 1984), pp. 36-88.

<sup>733</sup> Irmgard Lange, ed., *Entnazifizierung in Nordrhein-Westfalen: Richtlinien, Anweisungen, Organisation* (Seiburg: Respublica-Verlag, Seiburg, 1976), pp. 11-23.

later.<sup>734</sup> In July 1945, the newly appointed British resident officer at the plant, Maj. Fyfe, indicated that he was “trying to do a house-cleaning job at Ford” to remove Nazi supporters.<sup>735</sup> After Schmidt’s release from prison in September 1945, he was specifically forbidden to have further connection with Ford-Werke management by order of the military government.<sup>736</sup> (See Section 10.7. for information on Robert Schmidt’s rehiring.)

At the request of the military government, several Ford-Werke employees were removed from their positions in 1945. In addition to Schmidt, the list

included Buchwald and Streit.<sup>737</sup> Other key employees who were removed held the following positions: the heads of the laboratory and costing department, the assistant works manager, the assistant head of the construction department, a sales clerk, a buyer, a foreman, the chief clerk and the assistant chief inspector.<sup>738</sup> Löckmann left Ford-Werke of his own accord in October 1945.<sup>739</sup> Alfons von Gusmann, Ford-Werke’s government liaison representative in Berlin, was removed at the instigation of U.S. military authorities in April 1946.<sup>740</sup>

The British military government implemented a more formal denazification program in 1946. On January 12, 1946, the Allied Control Council issued Directive No. 24, which identified the Nazi officials and supporters who were to be removed from their positions. The directive specifically included all business leaders who had been appointed Military Economic Leaders [Wehrwirtschaftsführer] during the war.<sup>741</sup> On January 17, 1946, the British military government issued General Directive No. 1, which established denazification juries made up of politically reliable Germans to review individual cases, although the military government retained veto control over the proceedings. In August 1946, British military officials issued further instructions relating to the denazification procedure. All Germans with jobs or seeking employment were required to complete a questionnaire [Fragebogen] summarizing their personal history and political affiliations for the denazification committee. The committees assigned individuals to one of the following categories: 1) Verbrecher (war criminals), 2) Übeltäter (major wrongdoers/high-ranking Nazi party members); 3) weniger bedeutende Übeltäter

<sup>734</sup> NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo on conversation with CIC - Cologne, June 11, 1945 (NARA 0006985), Memo from Gosling, June 19, 1945 (NARA 0006973).

<sup>735</sup> NARA, RG 260, Property Division, Property Control and External Assets Branch, Box 546, File: Ford-Werke, Memo from Rains, July 25, 1945 (NARA 0000581). There is a possibility that Schmidt may have been arrested briefly in April 1945. Arrest ledgers from the U.S. 15th Army indicate that a “Robert Schmidt” was detained between April 11 and April 17; however, the documents give no other information, and there are no other references to Robert H. Schmidt’s being arrested in April 1945. See NARA, RG 338, 15th Army records, Box A923, Book MP/MIC Blotter 25, arrest ledger entry, April 1945 (NARA 0004901).

<sup>736</sup> HStAD, NW 1049/76620, Memo from Property Control Officer of Military Government to Ford-Werke, September 14, 1945 (HSAD 0802), Appeal to Cologne Regional Government, September 10, 1946 (HSAD 0836-0841).

<sup>737</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001018 and 0001020); FMC, AR-98-213541, Box 131, File: Cologne Organization and Management, Management - 1925-1946 (FMC 0000682). Buchwald, the wartime counterintelligence officer and an employee of Ford-Werke, was removed by the Military Government in June 1945, arrested and held for nine months. Ford-Werke canceled his contract. After he was released from military internment, he went through the denazification process for approval to work as an independent economic adviser, and was cleared. See NARA, RG 260, Economics Division, I.G. Farben Control Office, Box 24, unlabeled file, Memo on conversation with CIC - Cologne, June 11, 1945 (NARA 0006985); HStAD, NW 1049/46784, Report of Chief Investigator, Headquarters Military Government, December 3, 1946 (HSAD 0212; for English translation, see HSAD 0215), Translation of Notice from Ford-Werke to Buchwald, June 26, 1945 (HSAD 0217), Buchwald to Bürgermeister der Gemeinde Runderoth, May 3, 1946 (HSAD 0223; for English translation, see HSAD 0225) and Questionnaire Work Sheet, November 6, 1946 (HSAD 0216). Streit, who held the title of “works manager” at Ford-Werke in 1945, was later re-employed by Ford-Werke; as of 1953, he was engineering assistant to the technical director. See HFM, Acc. 505, Box 1, File: Ford International Executive News Letter, Vol. V, No. 2, May 1953 (HFM 0003369).

<sup>738</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001019-0001020). The names of the people who held the positions listed above are: Dieter Peitmann, E. Eackenberg, Werner Prütz, Emil Pfüller, Georg Zahn, Ernst Schulten, Hubert Pick, G.F. Riedt and Rudolf Lang.

<sup>739</sup> FMC, AR-98-213541, Box 131, File: Cologne Organization and Management, Management - 1925-1946 (FMC 0000682).

<sup>740</sup> WNRC, Acc. 299-68A-0243, Box 540, File 96/4 - Ford-Werke AG 160015, Letter from Albert, April 4, 1946 (DOJ 0010395).

<sup>741</sup> PRO, FO 1013/1686, Allied Control Authority Directive No. 24, January 12, 1946 (PRO 0000001-0000018). Robert Schmidt had been appointed Wehrwirtschaftsführer in 1941; see BA-F, RW 20/3, Entry in War Diary, Muenster, April 22-28, 1941 (BAF 1168). See also Section 5.2.

(minor wrongdoers/mid-level party members); 4) Parteigänger (party supporters/low-level party members); and 5) entlastete Personen (cleared persons). In 1947, the British government revised the program to grant more responsibility to the German-led denazification committees. Most proceedings in the Cologne area were completed by the end of 1948, although some appeal cases continued until the early 1950s.<sup>742</sup>

The denazification committee established at Ford-Werke by the British military authorities operated for four hours daily and reported its findings to a central German panel in Cologne that advised the military government. About 40 plant and administrative staff workers were arrested by the Allies, although some of the employees were released and later re-employed by the company.<sup>743</sup>

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<sup>742</sup> Lange, *Entnazifizierung in Nordrhein-Westfalen*, pp. 25-59 and 223-241.

<sup>743</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000938-0000941); see also FMC, AR 98-213541, Oral History of Erhard Vitger by D.B. Timmin, April 1987 (FMC 0000582-0000584).

<sup>744</sup> Ford-Werke Records, Rolfe to Vitger, March 1, 1947 (FW 0003893); PRO, FO 1046/4, North Rhine-Westphalia Finance Report, February 28, 1948 (PRO 0000130-0000131).

<sup>745</sup> While Vitger was in Dearborn in June 1947, he summarized the wartime and postwar controls over Ford-Werke and pointed out that at present, "the Company has no Board." See FMC, AR 65-71, Box 25, File: International 1947 #1, Vitger to Roberge, June 25, 1947 (FMC 0000100-0000102); and Ford-Werke Records, Vitger to Roberge, August 22, 1947 (FW 0003871).

<sup>746</sup> Vitger attended a July 1947 meeting of the Ford Motor Company Foreign Operations Committee in Dearborn, where it was decided that Albert would not be re-elected to the board, and that he would be offered a retirement fee of RM 100,000 in recognition of his service to the company, should he agree to retire. Upon his return to Germany, Vitger told Albert of the principle that members of the organization should retire at the age of 65. Albert, who was then 73, agreed to step down and wrote a letter to that effect. See HFM, Acc. 713, Box 4, File: Meeting with Vitger, Meeting Minutes July 1, 1947 (HFM 0001123); Ford-Werke Records, Vitger to Roberge, August 22, 1947 (FW 0003871) and Albert to Vitger, August 22, 1947 (FW 0003874). Sorensen said that he received a few letters from Albert after the war, and that he was a "ruined man," although Sorensen considered him "one of the forgotten greats" of Ford Motor Company. See HFM, Acc. 67, Charles Sorensen Oral Reminiscences (Excerpts), no date, (HFM 0001376-0001377). In a 1960 interview conducted with the assistance of his niece, Albert explained that one of his sons was killed by the Russians on the last day of the war, his home

## 10.6. Decontrol of Ford-Werke

Military government controls over Ford-Werke were gradually removed beginning in 1947. In March 1947, following a request from Erhard Vitger, who was the appointed custodian, the British Property Control Office granted permission for Ford-Werke to hold a general shareholders meeting in order to elect a board of directors and resume "conducting its internal affairs on more normal lines." The British military authorities noted, however, that under the law, Ford-Werke remained subject to military government control, and new board members had to be approved.<sup>744</sup> So, with permission granted and the conditions set forth, Ford-Werke began making plans to hold its first postwar general shareholders meeting.<sup>745</sup> The meeting was held on December 16, 1947. A decision had been made by Dearborn executives not to retain Albert as a member of the Board of Directors of Ford-Werke.<sup>746</sup> The other remaining members all resigned before the December 16 meeting.<sup>747</sup> Ford Motor Company executives Henry Ford II, Ernest Breech and Russell Roberge were among the new members elected to the board of directors. Carl W. Hauss, a law partner of Albert and one of the new members of the board, was elected as its chairman.<sup>748</sup>

In June 1947, the British military government had instituted a program to allow foreign owners of industrial facilities in Germany to regain control over their property by petitioning the local Property Control Boards.<sup>749</sup> The question of applying for decontrol was

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was bombed, and he lost everything in Berlin. After the war, he had regrouped and resumed his law practice. At the time of the interview, his memory was failing and he had virtually forgotten his English. He was 86 years old and living in Wiesbaden. See HFM, Acc. 880, Box 7, File: Germany, Notes on interview with Heinrich Albert, July 26, 1960 (HFM 0000880).

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<sup>747</sup> Letters of resignation were received from or on behalf of Carl Krauch, Hans Hünemeyer and Wilhelm Bötzes in the period between the July 1947 meeting in Dearborn and the December 16, 1947, meeting. See Ford-Werke Records, Böttcher to Vitger [for Krauch], September 4, 1947 (FW 0003875), Hünemeyer to Vitger, November 7, 1947 (FW 0003873) and Bötzes to Vitger, November 15, 1947 (FW 0003876).

<sup>748</sup> Ford-Werke Records, Meeting Minutes, December 16, 1947 (FW 0003967-0003971); Wilkins and Hill, *American Business Abroad*, p. 347.

<sup>749</sup> WNRC, Acc. 299-68A-0243, Box 540, File 43 - Ford-Werke - Köln - FMC (18/3) (516/g), Clay to Beckworth, no date (DOJ

discussed during the December 16, 1947, meeting. The decision was left to Ford Motor Company, as the majority shareholder in Ford-Werke.<sup>750</sup> At the outset, Ford executives were divided over the advisability of petitioning the British military authorities to regain control of Ford-Werke. In November 1947, Roberge, general manager of the Ford International Division, had complained to the U.S. State Department that Ford-Werke was still managed by the postwar plant custodian, Vitger, who was ultimately responsible to the military authorities.<sup>751</sup> In January 1948, however, Charles Thornton, Ford's director of planning, noted that there were tax implications to be considered, since the company had written off Ford-Werke as a war loss in 1941.<sup>752</sup> (See Section 12.4. for more information on this matter.)

At a Ford-Werke board meeting held in March 1948 and attended by Henry Ford II, the board of directors decided to apply for decontrol of the Cologne facility.<sup>753</sup> In May 1948, Vitger was granted power of attorney to represent Ford's interests in Ford-Werke. His authority to do this was accepted by British officials in Cologne. Vitger traveled to the United States in May 1948, and remained there until August to receive further instructions from Ford. He returned to Cologne on August 8, 1948, to assume the position of general manager at Ford-Werke. According to a 1954 memo

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0010215); FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Thornton to Crusoe, January 6, 1948 (FMC 0000125). The initial deadline for application was December 31, 1947, although this was later extended to March 31, 1948.

<sup>750</sup> Ford-Werke Records, Meeting Minutes, December 16, 1947 (FW 0003967-0003971).

<sup>751</sup> FMC, AR AR-75-62-616, Box 72, File: Ford-Werke 1945-1947 Decontrol, Roberge to Secretary of State, November 1947 (FMC 0005579-0005580).

<sup>752</sup> FMC, AR 65-71, Box 25, File: Ford International '48 #1, Summary of Foreign Operations - January 12, 1948, Thornton to Crusoe, January 6, 1948 (FMC 0000125). See also FMC, AR 68-899, Box 8, File: Germany War Damage Claim Book (1964), Ladd to Duncan, June 30, 1964 (FMC 0010256-0010259); and FMC, AR 75-63-430, Box 91, File: Ford-Werke Finance - Taxes 1927-1953, Gornick to Bogdan, August 25, 1948 (FMC 0001129-0001134). Among the tax implications to be considered were the year of the recovery of the investment and the fair market value of the property on the date of recovery.

<sup>753</sup> Ford-Werke Records, Excerpts from Board Meeting, March 2-3, 1948 (FW 0003251-0003252).

from the Ford Motor Company Office of Tax Affairs, the date of Vitger's return to Cologne marked Ford's "recovery" of its investment in Ford-Werke.<sup>754</sup>

In October 1948, it was agreed that all future legal actions involving Ford-Werke were to be settled in German courts, rather than in military government courts.<sup>755</sup> In December 1949, the Superior Court in Cologne formally ended the custody order that had placed Ford-Werke under control of a designated, official Nazi government representative as of May 15, 1942.<sup>756</sup>

## 10.7. Rehiring of Robert Schmidt

When Robert Schmidt was released by military authorities on September 8, 1945, a memo from the military government informed Ford-Werke that Schmidt should "take no part in the management of Ford Motor Company" until an investigation into his wartime activities was complete, effectively removing Schmidt from his position as a member of the Ford-Werke management board.<sup>757</sup> On November 8, 1945, the military government officially ordered the termination of Schmidt's employment at Ford-Werke.<sup>758</sup>

One of the issues raised during the course of the investigation was whether Schmidt was a member of the Nazi party. A statement by one individual to the effect that Schmidt was a party member spurred the investigation. U.S. military authorities examined files as well as photographs taken at the plant when high-level Nazi officials were visiting, and interrogated several

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<sup>754</sup> FMC, AR-61-416, Box 4, File: XVII Germany War Loss Recovery Studies, Loraw to Goulden, December 22, 1954 (FMC 0016708-00016711). Within Ford Motor Company, there was some disagreement with this assessment of when the company resumed control of its Germany facility; see FMC, AR 75-63-430, Box 91, File: Ford-Werke Finance - Taxes 1927-1953, Gornick to Bogdan, August 25, 1948 (FMC 0001129-0001134).

<sup>755</sup> HStAD, NW 189/1071, Farnborough to Justizministerium, October 14, 1948 (HSAD 2138-2139).

<sup>756</sup> FMC, AR-98-213541, Box 131, Official Register of Trading Associations, March 7, 1950 (FMC 0004308).

<sup>757</sup> HStAD, NW 1049/76620, Property Control Officer to Ford-Werke, September 14, 1945 (HSAD 0802).

<sup>758</sup> HStAD, NW 1049/76620, Appeal to Cologne Regional Government, September 10, 1946 (HSAD 0836-0841).



witnesses. They came to the conclusion on June 8, 1945, that “[a]lthough not a Nazi-Party member, his position has kept him in constant touch with leading Nazi-members.”<sup>759</sup> As denazification proceedings continued to look at the question of Schmidt’s alleged party membership, a number of individuals, including Heinrich Albert and a group of Ford-Werke employees, submitted written statements affirming that he was not a member of the party, and in fact had anti-Nazi sentiments.<sup>760</sup> The question was investigated again by British military authorities, who concluded on February 11, 1947, “It would appear the accusation against Schmidt [sic] confined later to the allegation that he wore the Nazi party badge, but photographs are available at this office showing him on events of official character without such badge. It is felt there is little probability that Schmidt was actually a Party member, and unless adverse information comes from Document Center US Army Berlin, it is feared that such allegation cannot forthwith be maintained.”<sup>761</sup>

The initial finding of the Denazification Committee investigating Schmidt in July 1946 placed him in Category 3 (minor wrongdoer or mid-level party member), denying him the right to return to a position at Ford-Werke.<sup>762</sup> He immediately filed an appeal, which was rejected. On September 10, 1946, Schmidt filed a second appeal.<sup>763</sup> The Denazification Review Board recommended that Schmidt’s appeal be upheld, and investigator C.G. Reinhard reported that if no concrete reason could be cited for Schmidt’s dismissal,

it would be overturned.<sup>764</sup> On October 17, 1947, Schmidt’s appeal was approved, and he was re-categorized as Category 5 (cleared person).<sup>765</sup>

In a letter to Henry Ford II in October 1947, Schmidt asked to be reinstated at Ford-Werke. Erhard Vitger raised an objection to Schmidt’s reinstatement, claiming, “Though there is no doubt that Mr. Schmidt is a very able businessman, I am afraid he is lacking that spirit of absolute loyalty and trustworthiness.”<sup>766</sup> Charles Thacker, manager of Ford of Belgium, and C.G.F. Stenger, manager of Ford of Holland, both submitted statements regarding Schmidt’s efforts on behalf of Ford employees during the war. However, Thacker, who had been one of the first Ford of Britain managers to arrive at Ford-Werke after the fall of Cologne (before he was assigned to Belgium), noted potential practical problems involved in bringing Schmidt back: “I do not believe that Vitger and Schmidt would ever work together as a team. Vitger harbours a very strong feeling of resentment against Schmidt because of his treatment of him during the war and even after liberation. I am of the opinion that the bad feeling between them has existed for a long time.”<sup>767</sup>

No action was taken immediately after Schmidt’s 1947 request for reinstatement. However, Ford officials started to consider the possibility of rehiring him as they struggled with strategies for addressing what they perceived as weak management at Ford-Werke, especially on the part of Vitger. An undated and

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<sup>759</sup> HStAD, NW 1049/76620, Investigation Report, June 8, 1945 (HSAD 0800). A letter from the Regional Economic Advisor to the Nazi Regional Leader refers to Schmidt as a “Party member.” See WNRC, Acc. 299-68A-0243, Box 536, File: W17536, Regional Economic Advisor to Lammers, February 7, 1942 (DOJ 0011043-0011044; for English translation, see DOJ 0011045-0011046). However, further research, including a search of Nazi party membership records, produced no other documentation to support this statement.

<sup>760</sup> HFM, Acc. 713, Box 4, File: Cologne Personnel 1946-1948, Memo from Albert on denazification of Schmidt, August 23, 1946 (HFM 0003132-0003133); FMC, AR-98-213541, Box 131, File: Schmidt - Nazi Accusation, Møller to Cooper, December 10, 1947 (FMC 0004430); HStAD, NW 1049/76620, Letter from Machting, Hermanns and Hirschmann, October 3, 1945 (HSAD 0846-0847), Ueber to Schmidt, November 15, 1945 (HSAD 0860-0861).

<sup>761</sup> HStAD, NW 1049/76620, Investigation of Schmidt by C.G. Reinhard, February 11, 1947 (HSAD 0817).

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<sup>762</sup> HStAD, NW 1049/76620, Fragebogen - Arbeitsblatt, July 23, 1946 (HSAD 0788).

<sup>763</sup> HStAD, NW 1049/76620, Appeal to Cologne Regional Government, September 10, 1946 (HSAD 0836-0841).

<sup>764</sup> HStAD, NW 1049/76620, Denazification Review Board for Cologne, November 7, 1946 (HSAD 0806-0807), Investigation of Schmidt by C.G. Reinhard, February 11, 1947 (HSAD 0816-0820).

<sup>765</sup> HStAD, NW 1049/76620 Statement of Panel, October 17, 1947 (HSAD 0789).

<sup>766</sup> HFM, Acc. 713, Box 4, File: Cologne Personnel 1946-1948, Schmidt to Henry Ford II, October 6, 1947 (HFM 0003104-0003105), Vitger to Roberge, December 14, 1947 (HFM 0003126-0003127).

<sup>767</sup> FMC, AR-98-213541, Box 131, File: Schmidt - Nazi Accusation, Thacker to Cooper, December 8, 1947 (FMC 0006514-0006515), Memo from Stenger on Schmidt’s role during Occupation, November 28, 1947 (FMC 0006516-0006517).

unsigned report titled “Notes on Germany” states, “Everybody, including Dr. Hauss [the new chairman of Ford-Werke’s board of directors, as of December 1947], still thinks that Robert Schmidt is the most capable man that has ever been associated with the German Ford organization. While he was widely criticized for having been pro-Nazi, our Managers in Holland and Belgium state categorically that this was not so and that on the contrary his attitude during the war had been extremely correct ... The main obstacle to his return to the company seems to be that Vitger is flatly opposed to his coming back and has categorically declared his unwillingness to work with him.” A handwritten comment on the report says, “Why not see him,” with a notation of his address and phone number.<sup>768</sup>

In January 1950, Schmidt returned to Ford-Werke as technical adviser.<sup>769</sup> The move had Dearborn’s support: In a report prepared on January 24, 1950, Ford International executive A.J. Wieland heralded Schmidt’s

return as an expedient solution to some of Ford-Werke’s most pressing problems, including the need to improve quality, decrease cost and bring down material handling expenses. Wieland concluded, “I would say that the organization is not very strong but that with R.H. Schmidt carrying the technical direction of the plant we have time for a further study to determine how to increase the effectiveness of the organization generally.”<sup>770</sup>

Schmidt and Vitger retired from their positions on the management board at Ford-Werke in 1958.<sup>771</sup> They were each given a generous compensation package, including a two-year consulting agreement, a pension, an expense allowance and annuity payments. In addition, both Vitger<sup>772</sup> and Schmidt were elected as members of the board of directors.<sup>773</sup> Schmidt continued to serve on the board of directors and as a consultant until his death in a car accident on October 24, 1962.<sup>774</sup>

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<sup>768</sup> FMC, AR 67-13, Box 2, File: Cologne 1949-1954, Notes on Germany, no date (FMC 0010782-0010783).

<sup>769</sup> HFM, Acc. 880, Box 7, File: Germany, Interview with Robert Schmidt No. 2, July 22, 1960 (HFM 0000909); Ford-Werke Records, Scheuffgen to Vitger, March 6, 1950 (FW 0004361).

<sup>770</sup> FMC, AR-98-213541, Box 131, File: Cologne Postwar Development, Wieland to Howard, January 24, 1950 (FMC 0000701).

<sup>771</sup> Ford-Werke Records, Campbell to Andrews, February 20, 1958 (FW 0004428-0004442). In an oral history interview in 1987, Vitger said that in the mid-1950s Ford Motor Company began to experience problems that it attributed to the policy of having Ford companies around the world headed by foreign nationals. “[T]he American parent company felt they and their

aims and objectives were not always fully understood. And it had therefore been decided that every Ford Company around the world should be headed by an American.” See FMC, AR-98-213541, Box V, Oral History of Erhard Vitger by D.B. Tinnin, April 1987 (FMC 0000605).

<sup>772</sup> After retirement, Vitger settled in Switzerland, using his title of “Danish Consul,” and lived into his 90s. See FMC, AR-98-213542, Box Go, Oral History of Zella Goad, June 5 and 9, 1990 (FMC 0017088-0017090).

<sup>773</sup> FMC, AR-85-26299, Box 10, File: Ford-Werke 1954 - 1958, Minutes of Extraordinary General Meeting, March 27, 1958 (FMC 0013294).

<sup>774</sup> Ford-Werke Records, Summary of Payments in favor of Schmidt, November 15, 1962 (FW 0004275).

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## Section 11

# WAR DAMAGE TO FORD-WERKE

### 11.1. Damage Between 1939 and Autumn 1944

Between 1939 and the autumn of 1944, the Ford-Werke facility in Cologne received only superficial damage, even though Allied bombing raids destroyed much of the rest of the city. According to a postwar report, Ford-Werke suffered its first air raid damage during the night of May 30-31, 1942.<sup>775</sup> Damages from that night were included in an itemized war damages claim Ford-Werke submitted to the highest official of the Administrative District in Cologne on December 16, 1942, listing RM 419,622.09 in repair costs and damage to vehicles, parts, material and buildings from April through September 1942, with most of the damage listed as having occurred on May 31. The list included repairs for damage to the tarred roofs of office huts and to the glass roof and steel structure of the new assembly shop from the fallback of German anti-aircraft

“splinters” (most likely a term for shrapnel).<sup>776</sup> However, most of the damage suffered by Ford-Werke in the early years of the war was to spare parts stored in warehouses outside the main plant and to materials in transit from suppliers, according to a draft inventory of damages prepared sometime after March 1945.<sup>777</sup> During a visit to Ford’s Portuguese operations in June 1943, Robert Schmidt reported that despite the serious devastation in Cologne caused by Allied bombings, the Ford-Werke plant had not been directly hit or otherwise damaged.<sup>778</sup>

### 11.2. Damage Between Autumn 1944 and March 1945

According to a letter from Erhard Vitger to Heinrich Albert, the main plant was damaged by two bombs on August 19, 1944, with damage mostly limited to broken glass.<sup>779</sup> U.S. Army Air Forces records indicate that Ford-Werke was specifically targeted several weeks

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<sup>775</sup> Ford-Werke Records, Claim for Loss of or Damage to Property Sustained by Ford-Werke During Wartime, no date (FW 0004746).

<sup>776</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536. Ford-Werke to Regierungspräsident - Cologne, December 16, 1942; (DOJ 0010980-0010981; for English translation, see DOJ 0010982).

<sup>777</sup> FMC, AR 75-62-616, Box 72, File: Ford-Werke Decontrol 1945-1947, Draft Inventory of War Damages to Ford-Werke, no date (FMC 0005797).

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<sup>778</sup> NARA, RG 84, Entry 3126, Box 76, Memo on visit to Portugal of the manager of the Ford Motor Company plant at Cologne, Germany, June 9, 1943 (NARA 0003830-0003832). This document is a U.S. Department of State - Foreign Service debriefing of Schmidt’s Portuguese contacts, G. Nadal and O. Margues, who were co-managers of Ford Lusitana, Lisbon. Schmidt said he wondered whether the plant was purposely left undamaged.

<sup>779</sup> Ford-Werke Records, Vitger to Albert, August 19, 1944 (FW 0002370).

later, on October 2 and 18, 1944.<sup>780</sup> According to the records of the U.S. Strategic Bombing Survey, damage from the October 18 raid centered on the proving grounds and labor camp area.<sup>781</sup> A postwar Ford-Werke departmental communication mentions the destruction of six “accommodation huts” in 1943 or 1944. A report prepared sometime after March 1945 estimates the amount of damage done by the October raids to be approximately RM 1,175,000.<sup>782</sup> (See Section 7.6.6. for information on worker casualties.)

In early March 1945, the plant became part of the front lines. Artillery shells destroyed the plant’s recreation hall and some shed buildings, while wooden office buildings and the garage caught fire.<sup>783</sup> Some equipment and records had been moved out of the

plant.<sup>784</sup> Ford-Werke established a camp of 500 people at a former spinning mill site in another town and evacuated some workers, including foreign laborers, by truck at night.<sup>785</sup> As the fighting intensified, American troops on the west bank of the Rhine exchanged fire with the retreating German troops on the east bank.<sup>786</sup> The 82nd Airborne Division reported that the plant was “plastered with artillery fire” and that a German flak wagon fired 15 rounds of shells on the plant, setting it on fire.<sup>787</sup> However, when representatives of the U.S. military government visited Ford-Werke on March 10 and 11, 1945, they found that despite considerable superficial damage from the bombs and shells, the plant was structurally sound – in “excellent condition.”<sup>788</sup>

### 11.3. Postwar Assessment of Damages

The initial impression of the U.S. military was that Ford-Werke had been abandoned and was “badly shattered.”<sup>789</sup> An American who had served as a technical adviser to Ford of France had a similar reaction when he arrived at Ford-Werke on a U.S. Army mission: “My first visit . . . left me with the impression that the plant was badly destroyed.” But when he returned the following day and made an actual investigation, he “found very little damage had been caused by actual bombing or shelling . . . The biggest damage was done by the rains and weather, because nearly all of the windows in both roof and sides were

<sup>780</sup> Air Force Historical Office, Bolling Air Force Base, Microfilm R8808, Air Force Target Documentation Forms, September 27, 1944-October 18, 1944 (HAI 0000005-0000012).

<sup>781</sup> NARA, RG 243, Entry 6, Box 687, File: Ford Cologne, Report on Air Raid History, no date (NARA 0003249). Author Karola Fings writes that bombs largely missed the main plant, falling on the forced labor camp and killing an unknown number of people. See Karola Fings, *Messelager Köln. Ein KZ-Außenlager im Zentrum der Stadt* (Köln: 1996), p. 154.

<sup>782</sup> WNRC, Acc. 299-68A-0243, Box 536, Book 5 –I.a.e, Tauchert and Koenig to Scheuffgen, October 5, 1951 (DOJ 000318); FMC, AR 75-62-616, Box 72, File: Ford-Werke Decontrol 1945-1947, Draft Inventory of War Damages to Ford-Werke, no date (FMC 0005798).

<sup>783</sup> WNRC, Acc. 299-68A-0243, Box 536, File Reports - Financial, Campbell to Monaghan and Attachment 2a-2, June 10, 1965 (DOJ 0010832 and 0010850); FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0000992-0000994); FMC, AR 75-62-617, Box 11, File: Cologne 1936-1947, Balance Sheet for June 30, 1946 (FMC 0008398).

<sup>784</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, C.I.O.S. Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945, document date March 23, 1945, (NARA 0005651-0005653); NARA, RG 243, Entry 6, Box 687, File: 77a19 2 of 3, Arnoldy to Hoglund, March 23, 1945 (NARA 0004498); RG 407, Entry 427, Box 15071, File: 603-2.13 Civilian interrogation of Ford factory, March 11, 1945 (NARA 0005309).

<sup>785</sup> Weinman, *Das nationalsozialistische Lagersystem*, p. 407; FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002129-0002131); NARA, RG 243, Entry 6, Box 687, File: 77a17, Intelligence Report No. EW-KO 12, March 18 and 19, 1945 (NARA 0004549-0004550); FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001036-0001038); ELDE, Z10.633, Oral history of T.N., September 12, 1996 (ELDE 0000233-0000255; for English translation, see ELDE 0000553-0000554); ELDE, Z10.623, Oral history of A.O., September 13, 1996 (ELDE 0000474-0000497; for English translation, see ELDE 0000602-0000604).

<sup>786</sup> NARA, RG 243, Entry 6, Box 687, File: 77a19 2 of 3, Arnoldy to Hoglund, March 23, 1945 (NARA 0004497); Billstein and Illner, “You are now in Cologne. Compliments.” p. 186. See also HFM, Acc. 880, Box 7, File: Germany, Interview with Erhard Vitger, July 15, 1960 (HFM 0000887).

<sup>787</sup> NARA, RG 407, Entry 427, Box 123732, File: 382-2.2, G-2 Daily Messages, April 5 and 10, 1945 (NARA 0005292-0005294).

<sup>788</sup> NARA, RG 260, Economics Division, Industry Branch, Box 37, Reel 39.3, C.I.O.S. Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945 document date March 23, 1945 (NARA 0005651-0005656). Other reports agree; see, for example, NARA, RG 338, Entry 42389, Box 3, File: 15th Daily Reports 9 Mar-12 May '45, Detachment E1H2 Daily Report No. 3, March 12, 1945 (NARA 0004880-0004881); and NARA, RG 243, Entry 6, Box 687, File: 77a19 2 of 3, Arnoldy to Hoglund, March 23, 1945 (NARA 0004497).

<sup>789</sup> NARA, RG 407, Box 15063, File: 603-2.1 Q2 Production Reports 2-4/1945, G-2 Periodic Report, March 6, 1945 (NARA 0005322).

shattered.”<sup>790</sup> When members of a combined U.S. and British intelligence team visited the plant, they discovered that the main building had suffered little structural damage. The blast from bombs and shells caused extensive superficial damage, and hardly any glass remained intact. No gas, electricity or water was available, which made an investigation difficult. One large building housing stores and offices had been gutted.<sup>791</sup>

The postwar custodian, Erhard Vitger, suggested in a report that most of the damage, which he attributed to artillery fire, was done to less crucial buildings – sheds which housed the Receiving Department, the Experimental Department, the Laboratory and repair shops. Additionally, Vitger’s report called for the replacement of the damaged “Garage.” The recreation hall, wooden office buildings and 12,000 square meters (129,167 square feet) of the “wooden buildings (formerly used as foreigner camp)” were described as destroyed by artillery fire.<sup>792</sup>

According to a postwar inventory of the plant, the fighting around the plant during the push through Cologne “caused damage to buildings, factory equipment, fixtures, cables, and materials, etc., stored in the factory in the amount of about RM 3,000,000.”<sup>793</sup> This figure is supported by an inventory report prepared for Ford Motor Company by

the Office of Lord Percival Perry, who had served on Ford-Werke’s board of directors before the war. Lord Perry’s report, written in September 1946, stressed that “damage to the main factory by artillery and mortar fire towards the end of the war, proved to be extensive but superficial.”<sup>794</sup>

Since much of the plant equipment had been dispersed before the air raids in October 1944, little of the factory machinery was destroyed during the fighting. The initial dispersal costs were covered by RM 8,000,000 Ford-Werke received from the German government. (See Section 6.8. for more information on dispersal.) According to Lord Perry’s 1946 report, this payment also was used to finance the reinstallation of the machinery after the cessation of hostilities in the Cologne area.<sup>795</sup> Critical production parts were stored on river barges, most of which sank during the Allied advance. After the war, U.S. forces helped to raise the barges and salvage some of the materials.<sup>796</sup>

#### 11.4. War Damage Claims

During the early years of the war, the German government allowed firms to claim compensation for damage inflicted during Allied bombing raids. Like many other firms damaged during the war, Ford-Werke chose to submit claims to the local war damages offices.<sup>797</sup> Postwar reports differ slightly as to the exact total of the wartime claims made by Ford-Werke, but most sources place the figure at approximately RM 12 million.<sup>798</sup> According to records from the city of

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<sup>790</sup> HFM, Acc. 507, Box 17, File: Cologne, Visit to Cologne Plant around April 20th by Frank Cort (HFM 0001033). See also Wilkins and Hill, *American Business Abroad*, p. 341.

<sup>791</sup> NARA, RG 260, Economics Division, Industry Branch, Box. 37, Reel 39.3, C.I.O.S. Target Report 19/8 on visit to Ford-Cologne-Niehl March 10, 1945, document date March 23, 1945 (NARA 0005651-0005656).

<sup>792</sup> FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0000992).

<sup>793</sup> FMC, AR 75-62-616, Box 72, File: Ford-Werke Decontrol 1945-1947, Draft Inventory of War Damages to Ford-Werke, no date (FMC 0005797-0005798).

<sup>794</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000915).

<sup>795</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000916-0000918). The report points out that the intended dispersal of all the equipment was not finished due to the “intensification of the war.”

<sup>796</sup> Rosellen, *Ford-Schritte*, pp. 17-18.

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<sup>797</sup> Ford-Werke Records, Lanfer to Ford-Werke, January 2, 1967 (FW 0005951-0005952); HP, Acc. 61-000417, Box 1, German War Recovery Study, 1950, pp. 78-81 (HP 0000266-0000269); WNRC, Acc. 299-68A-0243, Box 540, Affidavit of Guckel, January 7, 1967 (DOJ 0010651-0010655); FMC, AR-98-213541, Box 52, File: Audit Report - July 28, 1949, Hibbersson-Platt Report, July 28, 1949, and August 1949 (FMC 0000830-0000831). In November 1940, the German government enacted a law permitting companies to file claims for reimbursement of direct losses suffered in Germany as a result of the war.

<sup>798</sup> The 1946 financial records report a figure of RM 11,929,802.78; see Ford-Werke Records, Financial Ledger, December 1944-December 1946, Monthly Statement, December 31, 1946 (FW 0007939). A 1947 audit reports a figure of RM 12,154,982.41; see FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1946-1947, Audit Report by Knipprath for 1947 (FMC 0016915).

Cologne, Ford-Werke received a total of RM 361,181 from these war damages claims submitted in 1941 and 1942.<sup>799</sup>

In 1942, the German government prohibited war damage claims by companies with 25 percent or greater foreign ownership.<sup>800</sup> In order to preserve its right to war damage compensation, Ford-Werke entered into an agreement with the German government in March 1943. Under the terms of the agreement, the German government allowed Ford-Werke to continue filing claims for compensation, despite American majority ownership of the firm's stock. In return, Ford-Werke offered its property as collateral in the form of a mortgage in the amount of RM 6.8 million.<sup>801</sup> However, Ford-Werke's agreement with the government stipulated that government funds were to be used only if Ford-Werke was unable to afford the repairs on its own. There is no indication that Ford-Werke made use of any German government funding to repair damages during the last years of the war. By August 1944, Ford-Werke had repaid the loan.<sup>802</sup>

After the war, Ford Motor Company filed claims with

the U.S. government for war damages at several of its European subsidiaries in accordance with the War Claims Act of 1948.<sup>803</sup> On July 17, 1959, the Foreign Claims Settlement Commission awarded Ford \$377,508 for war losses and damage to Ford of Hungary.<sup>804</sup> On the same day, the commission awarded Ford \$370,414 for war losses and damage to Ford of Romania, although it is unclear how much of the award was actually paid.<sup>805</sup> (These were separate from the earlier postwar claims made to the U.S. and British military governments and the British occupation forces in Germany. See Section 10.3.)

In the 1960s, the U.S. government implemented a war damages claim program that allowed Ford to submit war damage claims to the U.S. government on behalf of Ford-Werke. The U.S. claims were not allowed to cover damages already compensated by the German

<sup>799</sup> Ford-Werke Records, Lanfer to Ford-Werke, January 2, 1967 (FW 0005951-0005952); WNRC, Acc. 299-68A-0243, Box 540, Affidavit of Paul Guckel, January 7, 1967 (DOJ 0010651-0010655). The 1946 financial records indicate that only RM 333,437 (approximately \$133,000) was received; see Ford-Werke Records, Financial Ledger, December 1944-December 1946, Monthly Statement, December 31, 1946 (FW 0007940) and FMC, AR-83-69-883, Box 1, File: Correspondence 1955-1960, Campbell to Frank, November 17, 1955 (FMC 0014471). Guckel explained the discrepancy as consisting of "other 1941 and 1942 amounts receipt of which has not been traced." See Ford-Werke Records, Guckel to Hammond, January 3, 1967 (FW 0005948-0005949).

<sup>800</sup> WNRC, Acc. 299-68A-0243, Box 540, Affidavit of Paul Guckel, January 7, 1967 (DOJ 0010651-0010655).

<sup>801</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Albert to Reich Commissioner, January 20, 1943 (DOJ 0010985; for partial English translation, see DOJ 0010986); Ford-Werke Records, Memo from Schmidt on Business Report, July 27, 1944 (FW 0000148-0000149); BA-L, R 87/6209, Audit Report by Knipprath for 1941 (BAL 7497). This mortgage was actually a refinanced version of a previous loan for RM 8 million from Deutsche Industriebank and Deutsche Bank that had appeared on Ford-Werke's balance sheets in 1941. To meet the government's demand for surety, the balance of RM 6.8 million was transformed from a loan on credit into a mortgage, or "land encumbrance," for which land owned by Ford-Werke was used as collateral.

<sup>802</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Advisory Board Meeting Minutes, July 1, 1943 (DOJ 0011105-0011106; for English translation, see DOJ 0011231-0011232); Ford-Werke Records, Financial Ledger, January 1942-September 1944, Balance Report, February 28, 1943 (FW 0007556). Neither wartime nor postwar financial records report that the company received any war damage funds from the German government after 1942; see Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890); and FMC, AR-75-63-430, Box 90, File: Audit Reports 1946-1947, Audit Report by Knipprath for 1946 (FMC 0016957). The loan appears on the July 1944 balance sheet but does not appear in August 1944; see Ford-Werke Records, Balance Report, July 31, 1944 (FW 0007068) and Balance Report, August 31, 1944 (FW 0007020-0007049).

<sup>803</sup> An amendment to the War Claims Act of 1948 – Public Law 87-846, signed on October 22, 1962 – allowed claims to be accepted for losses incurred by American interests in Germany or other countries during the war. See FMC, AR 68-899, Box 8, File: Germany War Damage Claim Book (1969), Krause to Campbell, February 5, 1963 (FMC 0010381-0010385).

<sup>804</sup> FMC, AR-83-69-883, Box 1, File: Hungary, Final Decision in the Matter of the Claim of Ford Motor Company Against the Government of Hungary, July 7, 1959 (FMC 0014242-0014243); Wilkins and Hill, *American Business Abroad*, pp. 348-349. After the war, the Russians seized a 43 percent share of Ford of Hungary. In 1948, the Hungarian government nationalized the company.

<sup>805</sup> FMC, AR-83-69-883, Box 1, War Damage Claims - Roumania and Hungary, Duncan to Shalvoy, September 2, 1960 (FMC 0014477), Campbell to Shalvoy, October 6, 1960 (FMC 0014476). An October 1960 internal memo from a Ford attorney regarding the Romanian claim stated: "Check in the amount of \$2,405.49 may exhaust the funds now available in the claims fund." Research to date has not confirmed the dates or total amounts received.

government.<sup>806</sup> In 1965, Ford submitted a claim to the commission for \$7,050,052 in war losses and damage to Ford-Werke and Ford-Werke subsidiaries in Austria. The damage amount listed on the claim form totaled \$12,461,427. Of this amount, Ford asked to be reimbursed \$7,050,052, which represented 56.575 percent of the total and was based on Ford's ownership of 56.575 percent of Ford-Werke. (See Appendix E.)<sup>807</sup> The commission reviewed the Ford claim and reduced it to \$522,526 (after deducting tax benefits resulting from the losses) on grounds that some of the claims or claim amounts listed by Ford were not compensable under the terms and conditions of the law.<sup>808</sup> On April

5, 1967, after a lengthy evidentiary and appeals process, the commission agreed to increase the amount, and awarded \$785,321 to Ford for its share of allowable losses sustained by Ford-Werke and Ford of Austria during the war.<sup>809</sup> The money was to be paid by the U.S. Department of the Treasury from the War Claims Fund. At the time the award was made, the commission estimated there was enough money in the fund to permit distribution of 80 to 90 percent of the money to claimants, although it was not determined whether payment would be made in 1967 or later.<sup>810</sup> Research to date has not confirmed when or how much of the award was paid.

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<sup>806</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Foreign Claims Settlement Commission Final Decision No. W-18559, April 5, 1967 (DOJ 0010667-0010674).

<sup>807</sup> WNRC, Acc. 299-68A-0243, Box 540, File: Claim of Ford Motor Company, Campbell to Foreign Claims Settlement Commission, January 14, 1965 (DOJ 0010550-0010554). The damage claim was broken down into individual categories, including destruction of or damage to buildings (\$1,006,416); loss and/or damage to machinery and/or materials (inside Ford-Werke, \$417,056; in outside storage areas, \$3,479,971; and in transit from suppliers, \$224,399); and claims for materials supplied to German military and civil authorities for which payment was not received (\$5,339,964). Of the amount claimed for "buildings destroyed," about 45 percent was for Ford of Austria. Of the amount listed under "other losses," about 17.6 percent was for Ford of Austria.

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<sup>808</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Foreign Claim Settlement Commission Proposed Decision No. W-18559, November 23, 1966 (DOJ 0010741-0010753). The commission initially disallowed or reduced certain claims on grounds that the expenses did not conform to the requirements or time periods specified in the law. Examples of disallowed or reduced claims include wages paid during aid raids, freight costs for merchandise destroyed in transit, and property losses based on postwar replacement costs, rather than value at the time of the loss.

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<sup>809</sup> WNRC, Acc. 299-68A-0243, Box 536, File W17536, Foreign Claims Settlement Commission Final Decision No. W-18559, April 5, 1967 (DOJ 0010667-0010674), Memo from Monaghan to McGuire, March 23, 1967 (DOJ 0010678).

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<sup>810</sup> FMC, AR-98-213541, Box 43, File: War Claim, Germany, Executive Communication to Henry Ford II and Miller, April 21, 1967 (FMC 0006140).





FINANCIAL OVERVIEW  
OF FORD-WERKE

### 12.1. Brief Financial History

From the time of its incorporation in 1925, Ford-Werke experienced periods of prosperity as well as instability as a result of management decisions and the prevailing economic and political environments. The period from 1933 to 1938 marked the beginning of the era in Germany when demand for cars increased.<sup>811</sup> Consumers demanded smaller vehicles, prompted by the dire circumstances created by the Great Depression. In 1933, Ford-Werke completed a major upgrade of its machinery to facilitate the manufacturing of a new line of vehicles to meet this demand.<sup>812</sup> During this same period, Ford-Werke's earnings deficit grew to almost RM 9,000,000, which forced Ford-Werke to reorganize and change its capital structure in 1934.<sup>813</sup> By 1935, Ford-Werke had begun an aggressive exporting program around the world. Raw material shortages,

along with foreign exchange limitations experienced in Germany at the time, made production difficult.<sup>814</sup> However, raw materials agreements beginning in 1936 allowed Ford-Werke to continue production by obtaining materials through Ford Motor Company.<sup>815</sup> By the late 1930s, economic growth resulted in a rising demand for vehicles, and Ford-Werke expanded its capacity and increased its investment in machines and equipment, making the company the fourth leading vehicle manufacturer in terms of passenger car sales in Germany.<sup>816</sup> Total assets grew 69 percent in this period, from RM 25,805,407 in 1933 to RM 43,543,533 in 1938 (from \$7,875,268 to \$17,488,781). Net income was RM 1,698,690 (\$518,405) in 1933, and RM 913,359 (\$366,840) in 1938.<sup>817</sup>

By 1940, government regulations prohibited new

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<sup>811</sup> Overy, *War and Economy in the Third Reich*, p. 6.

<sup>812</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1933 (HFM 0006407).

<sup>813</sup> Coopers & Lybrand Records, Lybrand, Ross Bros. & Montgomery to Henry Ford II, March 19, 1948 (CL1 0000316-0000318); HFM, Acc. 713, Box 11, File: Corporate Structure-European Operations, Preliminary Report, February 20, 1948 (HFM 0002645-0002647); FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001966).

<sup>814</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1935 (HFM 0006295), Business Report for 1936 (HFM 0006309).

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<sup>815</sup> NARA, RG 407, Entry 368B, Box 1032, Schneider Report, Exhibit 54, Memo by Schmidt on rubber and raw material agreement, August 3, 1945 (NARA 0000157), Exhibit 65, Memo by Schmidt on rubber deal closed in June 1936, August 3, 1945, (NARA 0000194).

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<sup>816</sup> FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1938 (FMC 0017016-0017017); NARA, RG 407, Entry 368B, Box 1032, File: Ford-Werke AG, GED Report, February 1946 (NARA 0001566).

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<sup>817</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1933 - Balance Sheet, December 31, 1933 (HFM 0006411 and HFM 0006415); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1938 - Balance Sheet, December 31, 1938 (FMC 0017024 and FMC 0017027).

passenger car production, and Ford-Werke converted to truck production to supply vehicles to the German government. Sales rose every year from 1940 through 1943, but fell in 1944 and 1945 in the turmoil that accompanied the end of the war. In addition to taxes imposed by the Nazi regime, and a wide array of government controls on production and prices both before and during the war, balance sheets and results of operations also were affected by war damages and other costs associated with the conflict. Ford-Werke's total assets grew from RM 60,470,956 in 1939 to RM 68,859,397 in 1945. Net income was RM 1,287,876 in 1939, and net loss was RM 3,433,091 in 1945.<sup>818</sup> (See Section 12.2. for more detail on impact on assets, and see Section 12.3. for more information on the effect on income.)

Immediately after the war, each of the occupied zones was allotted production quotas by the military occupation governments. Ford-Werke was granted the largest quota of steel in German industry in 1946 and the largest production quota in the German automotive industry at that time. Ford-Werke was given preference in quota assignments due to its speedy reorganization. Despite the favorable allocations, sales and production in 1946 were constrained by shortages of supplies.<sup>819</sup>

In the early 1950s, postwar consumer demand was exceeding capacity, and significant investments were made to increase the productive capability of the facility and reduce per-vehicle costs. Within two years, Ford-

Werke was experiencing increases in production and lower per-vehicle costs. Ford-Werke's total assets were RM 70,092,054 in 1946, and DM 102,575,719 in 1953. (In 1948, the currency was converted from Reichsmarks to Deutsche Marks. See Section 12.2.) Net income was RM 650,935 in 1946, and DM 689,907 in 1953.<sup>820</sup>

## 12.2. Balance Sheet Information

Ford-Werke's assets and liabilities as reported in the financial statements for the periods ending 1939, 1945, June 20 and 21, 1948, (before and after the currency conversion from Reichsmarks to Deutsche Marks) and 1953 are presented in Appendix F, Ford-Werke Balance Sheets. Assets generally increase when capital is invested in a company, either through loans or invested earnings, in order to meet production demands. In Ford-Werke's case, assets increased in 1939 as a result of loans from banks.<sup>821</sup> In 1941, Ford-Werke received RM 12 million from a stock offering that was used to finance working capital needs and additional increases in property, plant and equipment. These assets were depreciated at accelerated rates during the war, reducing income accordingly.<sup>822</sup>

The currency devaluation that took place after the war is of significance and is an issue to be considered in reviewing Ford-Werke balance sheets. Shortly before and during the war, German financial authorities printed a large number of bank notes to ease payments for supplies. As a result, paper money in circulation

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<sup>818</sup> FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1939 - Balance Sheet, December 31, 1939 (FMC 0017070), Profit and Loss Account for 1939 (FMC 0017073); FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 -Balance Sheet, December 31, 1945 (FMC 0003800); FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000917-0000918).

<sup>819</sup> FMC, AR-98-213541, Box 131, Perry Report, September 19, 1946 (FMC 0000921-0000924). Production had peaked in 1938 at 33,730 vehicles, according to FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000906).

<sup>820</sup> FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 - Balance Sheet, December 31, 1945 (FMC 0003808); FMC, AR-75-62-616, Box 55, File: Ford-Werke Business Report for Annual Report - 1953, Balance Sheet for 1953 (FMC 0016021), Profit and Loss Account for 1953 (FMC 0016022); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1949-1953, Business Report for 1951 (FMC 0016886-0016887).

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<sup>821</sup> FMC, AR-75-63-430, Box 90, File: Ford Werke Finance 1938-1948, Business Report for 1938 (FMC 0017023), Business Report for 1939 (FMC 0017069); FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001974).

<sup>822</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001966); FMC, AR-75-62-617, Box 11, File: Cologne 1936-1947/Copenhagen 1919-1925, Depreciation 1940-1941 (FMC 0008436); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1939 (FMC 0017068-0017074), Business Report for 1940 (FMC 0017008-0017014), Balance Sheet and Profit and Loss Statement for 1941 (FMC 0017039), Balance Sheets for 1942 (FMC 0017041), 1943 (FMC 0017030) and 1945 (FMC 0017036-0017037); FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 (FMC 0003790-0003801); BA-L, R 87/6209, File: Ford-Werke Cologne Vol. 5, Audit Report by Knipprath for 1941 (BAL 7481); BA-L, R 8135/7393, File: Report of the Economic Auditor Department, Audit Report by Knipprath for 1942 (BAL 3281).

increased 18 times the normally required amount. Additionally, nearly all financial institutions (i.e., banks and insurance companies) were required to invest their money in government bonds and/or securities. With the collapse of the Nazi regime, these bonds and securities were rendered essentially worthless, as opposed to securities whose value was backed by assets such as land, buildings or machinery.<sup>823</sup>

In response to these difficulties, Allied military authorities instituted a currency reform and related devaluation in June 1948. Under the Law of Monetary Reform, the German currency was converted from Reichsmarks (RM) to Deutsche Marks (DM). German companies had to devalue their monetary assets and liabilities, but were allowed to revalue their inventories, property, plants and equipment. As a result, Ford-Werke's cash balances, accounts receivable from customers and amounts payable to suppliers, all of which had increased significantly during the war, were devalued by 90 percent or more, based on the amounts at the time (June 1948).<sup>824</sup> Most buildings, machinery, equipment and inventory balances were revalued at higher amounts estimated to be their fair value at the time, as allowed by the Law of Monetary Reform. The net result of adjusting these accounts was a reduction in reserves and other stockholder equity accounts.<sup>825</sup>

In 1950, capital investments were made for the purpose of expansion, modernization and reconstruction. There was an increase of DM 477,509 in the buildings account for expansions to the factory building, the administration building, and the assembly and storage halls. Also in 1950, repairs and

reconstruction from war damage were completed. Additions to machinery and equipment were also attributable to factory modernization and equipment upgrades.<sup>826</sup> In 1951, demand for Ford-Werke's products exceeded plant capacity. To accommodate the need for greater production capability, an assembly facility, a machine hall, a store and distributing depot were constructed.<sup>827</sup> In 1953, additions and transfers totaling approximately DM 12 million were made in property, plant and equipment to modernize the Ford-Werke plant and to improve the buildings, machinery and equipment to meet consumer demands. Due to the expansion of the facility, the production of passenger cars increased by 11 percent in 1953, and the total production increased from 40,334 vehicles in 1952 to 44,009 vehicles in 1953.<sup>828</sup>

### 12.3. Results of Operations/Net Income

Presentation of the results of operations (i.e., profit and loss, or income statement) in the published financial statements that were found regarding Ford-Werke varies significantly from current U.S. or German standards. Many accounts were combined to report only a "net" amount in the financial statements. Sales (referred to as "turnover") were not always included in the audited income statements of Ford-Werke. "Trading income" was a more prominent performance measurement and was defined as sales less the cost of operations. The cost of operations included materials, manufacturing overhead and miscellaneous other charges that were associated with production, excluding salaries and wages.<sup>829</sup>

Net income (sales minus all expenses) was affected by a wide array of taxes levied on corporations by the

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<sup>823</sup> FMC, AR-65-71, Box 25, File: International 1947 #1, Vitger to Roberge, June 19, 1947 (FMC 0000069-0000071).

<sup>824</sup> FMC, AR-65-71, Box 25, File: International 1947 #1, Vitger to Roberge, June 19, 1947 (FMC 0000069-0000071); FMC, AR-98-213541, Box 52, File: Audit Report - July 28, 1949, Hibberson-Platt Report, July 28, 1949, and August 1949 (FMC 0000796-0000798).

<sup>825</sup> FMC, AR-75-63-430, Box 90, File: Germany Audit Reports 1948-1949, Audit Report by Knipprath for 1948 as of June 20, 1948 (FMC 0006720-0006721), Audit Report by Knipprath on Deutsche Mark Opening Balance Sheet, June 21, 1948 (FMC 0001228-0001229).

<sup>826</sup> FMC, AR-75-63-430, Box 90, File: Germany Audit Reports 1950, Audit Report by Knipprath for 1950 (FMC 0001284), File: Ford-Werke Finance 1938-1948, Business Report for 1950

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(FMC 0017048); FMC, AR-98-213546, Small Accessions Box 2, File: Report 1950s (A-K), Vitger to Andrews, April 30, 1957 (FMC 0002375).

<sup>827</sup> FMC, AR-98-213546, Small Accessions Box 2, File: Report 1950s (A-K), Vitger to Andrews, April 30, 1957 (FMC 0002375); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1949-1953, Business Report for 1951 (FMC 0016886-0016887).

<sup>828</sup> FMC, AR-75-62-616, Box 55, File: Ford-Werke Business Report for Annual Report - 1953, Business Report for 1953 (FMC 0016001; for English translation, see FMC 0016015).

<sup>829</sup> FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1946-1947, Audit Report by Knipprath for 1947 (FMC 0016927).

German Reich between 1939 and 1945. In order to reduce some of the tax burden, Ford-Werke set aside allowable reserves, reducing income subject to taxes. Government-imposed price and sales controls began in 1936 and were adjusted at various times thereafter. The combination of taxes and controls affected sales, trading income and production levels in the late 1930s and throughout the war.<sup>830</sup> Between 1933 and 1935, trading income rose from 21 percent of sales to 29 percent of sales as a result of increased sales and production.<sup>831</sup> After price controls were enacted in 1936, trading income fell to 15 percent of sales in 1937 and 1938, and reached 16 percent of sales in 1939. Net income was approximately 1 percent of sales during all four years. In 1938, Ford-Werke ranked second in the production of trucks in Germany, and third in passenger car production and exports. While sales were at their highest levels, trading income and net income as a percentage of sales were flat – again, reflecting the effect of price controls.<sup>832</sup>

Subsequent changes in taxes and controls, combined with adjustments in production and other changes at Ford-Werke, resulted in generally increased trading income as a percentage of sales after 1939. Net income reported by Ford-Werke grew every year from 1938,

when it was RM 913,359, until 1943, when it reached RM 2,169,386.<sup>833</sup> The work force was increasing during much of this time period, while salaries and wages as a percentage of sales remained relatively flat. In a monthly balance sheet report to Heinrich Albert in March 1943, Erhard Vitger noted that the ratio of operating overhead to manufacturing wages could no longer be compared with earlier figures because the large proportion of foreigners in the work force had changed the average hourly rate from approximately RM 1.50 earlier to approximately RM 1.30.<sup>834</sup> (See Section 7.5. for information on wages paid to foreign and forced workers at Ford-Werke.) In 1945, trading income rose to 51 percent of sales. However, a 2 percent of sales (approximate) net loss was recorded for 1944, and a 10 percent of sales (approximate) net loss for 1945. The net loss amounts were RM 2,731,689 in 1944, and RM 3,433,091 in 1945.<sup>835</sup> These losses were the result of extraordinary charges that included losses from war damages, and amounts that were deemed not collectible from the German government and from other Ford subsidiaries.

Income fluctuation during the years 1933 through 1953 is shown on the following chart, Net Income and Trading Income as a Percentage of Sales, Ford-Werke, 1933-1953.<sup>836</sup> (See Appendix G, Ford-Werke Results of Operations, 1933-1953, for detailed income statements for the period.)

<sup>830</sup> FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0002030-0002031 and 0002038).

<sup>831</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1933 (HFM 0006415), Business Report for 1935 (HFM 0006304); FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000900).

<sup>832</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1937 (HFM 0006330); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1938 (FMC 0017028), Business Report for 1939 (FMC 0017074); FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000900); FMC, AR-98-213541, Box 40, File: Ford of Europe Chronology, Information on Ford-Werke AG, circa 1986 (FMC 0005940).

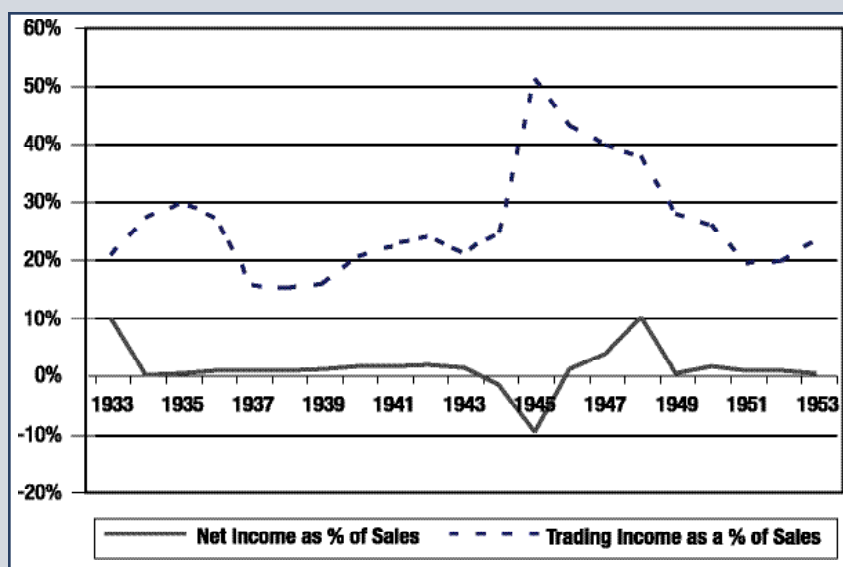
<sup>833</sup> These numbers represent net income after the subtraction of reserves. Net income including the reserves was RM 1,213,359 in 1938 and RM 3,169,386 in 1943. See FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1938 (FMC 0017027-0017028), Business Report for 1939 (FMC 0017073-0017074), Business Report for 1940 (FMC 0017011-0017012), Balance Sheet as at December 31, 1941 (FMC 0017039), Balance Sheet as at December 31, 1942 (FMC 0017041) and Balance Sheet and Profit and Loss Statement for 1943 (FMC 0017030).

<sup>834</sup> Ford-Werke Records, Vitger to Albert, March 22, 1943 (FW 0002492).

<sup>835</sup> FMC, AR 65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 - Balance Sheet for 1944 (FMC 0003795-0003796); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Balance Sheet for 1945 (FMC 0017033); FMC, AR-98-213541, Box 131, Palumbo, Survey of German Motor Vehicle Industry, April 15, 1948 (FMC 0000883-0000909).

<sup>836</sup> HFM, Acc. 572, Box 16, File: Germany 1930s, Business Report for 1933 (HFM 0006414-0006415), Business Report for 1934 (HFM 0006428-0006429), Business Report for 1935 (HFM 0006303-0006304), Business Report for 1936 (HFM 0006316-0006317), Business Report for 1937 (HFM 0006329-0006330); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1938 (FMC 0017028), Business Report for 1939 (FMC 0017073-0017074), Business Report for 1940 (FMC 0017011-0017012), Balance Sheet for 1941 (FMC 0017039), Balance Sheet for 1942 (FMC 0017041), Balance Sheet for 1943 (FMC 0017029-0017030), Balance Sheet for 1945 (FMC 0017036-0017037), Business Report for 1948 at June 20, 1948 - Profit and Loss Account for 1948/I (FMC 0006723-0006724); BA-L,

### Net Income and Trading Income as a Percentage of Sales Ford-Werke, 1933-1953



Notes: Net income is sales minus all expenses. Trading income is sales less the cost of operations, excluding salaries and wages.

## 12.4. Capital Structure and Dividend Analysis

Ford Motor Company's ownership in Ford-Werke evolved from nearly 100 percent of the stock at the outset to varying proportions of direct and/or indirect ownership over the years, based on various international structures that were in place.<sup>837</sup> After the United States entered the war in December 1941, Congress passed the Revenue Act of 1942, permitting companies with property or investments in enemy countries to write off their investments as of the date the United States declared war on that country. (The

R 87/6209, File: Ford-Werke Cologne Vol. 5, Balance Sheet for 1941 (BAL 7515); BA-L, R 8135/7393, File: Report of the Economic Auditor Department, Balance Sheet for 1942 (BAL 3309); FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 - Balance Sheets for 1944 and 1946 (FMC 0003795-0003796 and FMC 0003812-0003813), Business Report for 1947 - Balance Sheet for 1947 (FMC 0003574-0003575), Business Report for 1948/49 - Balance Sheet for 1948/49 (FMC 0003601-0003602); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance 1938-1948, Business Report for 1950 (FMC 0017055), File: Ford-Werke Finance 1949-1953, Business Report for 1951 (FMC 0016894-0016895), Translation of Business Report for 1952 (FMC 0016881); FMC, AR-75-62-616, Box 55, File: Ford-Werke Business Report for Annual Report - 1953, Profit and Loss Account for 1953 (FMC 0016022).

law provided for the recovery of the fair market value of the property after it was recovered.)<sup>838</sup> In 1943, in accordance with the act, Ford recorded its investment in Ford-Werke as a total loss by establishing a reserve account equal to its investment balance (approximately \$8 million) retroactive to fiscal year 1941 earnings.<sup>839</sup> In 1954, Ford restored its investment in Ford-Werke to the company books in the amount of approximately

<sup>837</sup> FMC, AR-75-62-616, Box 57, File: Investments 1951-52, Mellema to Edwards, January 25, 1952 (FMC 0003293-0003306); FMC, AR-75-62-616, Box 23, File: European Countries - Investment Ledger, Ford-Werke AG, no date (FMC 0000346-0000350); Coopers & Lybrand Records, Lybrand, Ross Bros. & Montgomery to Henry Ford II, March 19, 1948 (CL1 0000311-0000321); HFM, Acc. 713, Box 11, File: Corporate Structure - European Operations, Preliminary Report, February 20, 1948 (HFM 0002639-0002647); FMC, AR-75-63-430, Box 91, File: Ford-Werke Finance Shares 1941-1949, Report and Supplement on Development and Composition of Ford-Werke Share Capital, Report circa December 1945, Supplement January 30, 1950 (FMC 0001502-0001524).

<sup>838</sup> Public Laws, Ch. 619, October 12, 1942, Sec. 156; FMC, AR-98-213541, Box 131, File: Ford Germany Finance and Quotas, Memo from Gornick to Bogdan, August 25, 1948 (FMC 0011573-0011574).

<sup>839</sup> FMC, AR-65-92, Box 1, File: Annual Reports, Ford Motor Company Annual Report for 1946 (FMC 0013463 and FMC 0013479-0013480).

\$557,000, estimated to be the fair value.<sup>840</sup> This was done after a determination that for tax purposes, the date of recovery of the property was August 8, 1948.<sup>841</sup>

Ford-Werke's first dividends to shareholders were declared for 1929, and were payable in March 1930.<sup>842</sup> At the time, Luxembourg was the only Ford entity with a direct interest in Ford-Werke.<sup>843</sup> Although the dividends were declared, payments were delayed or incomplete because Ford-Werke had to request special permission from the German government to make the payments.<sup>844</sup>

The next dividends were not declared until 1938.<sup>845</sup> At that time, Ford controlled, through a combination of direct and indirect ownership, 81 percent of the Ford-Werke stock.<sup>846</sup> The 1938 dividends were held by Ford-Werke in a blocked account and were not paid because the German government prohibited their distribution outside Germany. Dividends declared from 1939

through 1943 also were blocked.<sup>847</sup> No further dividends were declared until 1950.<sup>848</sup>

In 1951, the blocked dividends from the years 1938 through 1943 were devalued by 90 percent in the currency conversion from Reichsmarks to Deutsche Marks.<sup>849</sup> In the same year, Ford used those previously blocked dividends (amounting to about \$60,000 in 1951 dollars, after the conversion) to underwrite part of the cost of acquiring all of the Ford-Werke stock held by the German corporation I.G. Farbenindustrie AG (I.G. Farben).<sup>850</sup> I.G. Farben owned about 5.3 percent of Ford-Werke's stock in 1951, having acquired a 15 percent share in 1929, when Ford-Werke was recapitalized and Carl Bosch, I.G. Farben's general manager and chairman of the board, was elected to Ford-Werke's board of directors.<sup>851</sup> After the war, when

<sup>840</sup> FMC, AR-61-416, Box 4, File: XVII Germany War Loss Recovery Studies, Loraw to Goulden, December 22, 1954 (FMC 0016708-0016711).

<sup>841</sup> On August 8, 1948, Vitger took over the active management of Ford-Werke under "Power of Attorney" approved on or about May 26, 1948, by the British control authorities. From May 26, 1948, to August 8, 1948, Vitger was in the United States receiving instructions from Ford Motor Company on how to conduct the affairs of Ford-Werke. See FMC, AR-61-416, Box 4, File: XVII Germany War Loss Recovery Studies, Loraw to Goulden, December 22, 1954 (FMC 0016708-0016711).

<sup>842</sup> HFM, Acc. 6, Box 262, File: 1930 Berlin, Shareholders Meeting Minutes, March 27, 1930 (HFM 0006552-0006555). See also FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends, Vitger to Roberge, August 15, 1947 (FMC 0002977).

<sup>843</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends, Dividend Particulars, August 15, 1939 (FMC 0002981). See also HFM, Acc. 713, Box 11, File: Corporate Structure - European Operations, Preliminary Report, February 20, 1948 (HFM 0002641-0002645). Société d'Investissements, Ford Luxembourg, was a holding company formed in 1930 to hold Ford of Britain's shares of Ford-Werke.

<sup>844</sup> Board Minutes for Société d'Investissements, Ford Luxembourg, show that RM 810,000 in dividends for 1930 was due from Ford-Werke to the Luxembourg company, with RM 430,931 of that amount having been paid by late 1931. See HFM, Acc. 313, Box 1, File: Ford Luxembourg, Meeting Minutes for September 17, 1931 (HFM 0003143), December 21, 1931 (HFM 0003145) and March 2, 1932 (HFM 0003148).

<sup>845</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends 1939-1954, Dividend Particulars, August 15, 1939 (FMC 0002981), Vitger to Roberge, August 15, 1947 (FMC 0002977).

<sup>846</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends, Dividend Particulars, August 15, 1939 (FMC 0002981-0002982); FMC, AR-75-63-430, Box 91, File: Ford-Werke Finance Shares 1941-1949, Report and Supplement on Development and Composition of Ford-Werke Share Capital, Report circa December 1945, Supplement January 30, 1950 (FMC 0001502-0001524).

<sup>847</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends 1939-1954, Memo on restriction of dividends, circa 1948 (FMC 0002973-0002974), Vitger to Roberge, August 15, 1947 (FMC 0002977-0002979).

<sup>848</sup> FMC, AR-65-92, Box 1, File: Annual Reports, Ford Motor Company Annual Report for 1950 (FMC 0013868); FMC, AR-75-63-430, Box 91, File: Ford-Werke - Dividends 1939-1954, Memo from CRK, December 6, 1951 (FMC 0002942).

<sup>849</sup> FMC, AR-75-63-430, Box 90, File: Audit Reports 1948-49, Audit Report by Knippath for 1948 as of June 20, 1948 (FMC 0001230); FMC, AR-75-63-430, Box 91, File: Ford-Werke Dividends - 1939-1954, Memo from CRK, December 6, 1951 (FMC 0002942).

<sup>850</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke - I.G. Farben 1948, Winter to Prance, October 17, 1951 (FMC 0001405), File: Ford-Werke - Dividends 1939-1954, Memo from CRK, December 6, 1951 (FMC 0002942). The exchange rates are from *Banking and Monetary Statistics, 1914-1941* (Washington: Federal Reserve Banks and the Board of Governors of the Federal Reserve System), p. 1038 (CL1 0001070-0001072).

<sup>851</sup> In an interview with historians Allan Nevins and Frank Ernest Hill in 1952, Lord Percival Perry described the decision to sell a large block of shares to I.G. Farben in 1929. Perry was head of Ford of Britain, which in 1929 had recently assumed a larger role in ownership and oversight of Ford-Werke: "When you come to Germany, you do it very differently. The best way to get in to the German public, as a public, is to issue not all the shares but a big block of them [to] I.G. Farben ... the biggest industrial undertaking in Germany. ... We did issue a big block

I.G. Farben was placed in liquidation proceedings, Ford decided to purchase I.G. Farben's shares of Ford-Werke to avoid having the shares sold to the public or remain

with I.G. Farben in the event of reorganization instead of liquidation.<sup>852</sup> The shares were purchased by Ford from I.G. Farben's liquidators.<sup>853</sup>

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of shares to I.G. Farben. That was the shortest way I knew of getting into the German public. ... The German public were very heavy shareholders in I.G. Farben." See HFM, Acc. 65, Box 52, File: 65, Interview with Lord Percival Perry, March 28, 1952 (HFM 0004805-0004806). I.G. Farben's ownership share of Ford-Werke, while never greater than 15 percent, fluctuated somewhat during the period from 1929 to 1951. See FMC, AR-75-63-430, Box 91, File: Ford-Werke Finance Shares 1941-1949, Report and Supplement on Development and Composition of Ford-Werke Share Capital, Report circa December 1945, Supplement January 30, 1950 (FMC 0001502-0001524), File: Germany Cologne - Ford-Werke Finance Shares - Dividends 1939-1954, McKee to Wieland, January 4, 1951 (FMC 0002960A); FMC, AR-68-624, Box 18, File: Cologne Permanent Shares and Equity (1), Ford Motor Company Ownership of Ford-Werke Stock, November 17, 1959 (FMC 0012641). Carl Bosch was elected to the Ford-Werke Board of Directors on May 17, 1929, and remained a board member until his death in April 1940, when he was replaced by Carl Krauch, the new I.G. Farben chairman; see Appendix B.

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<sup>852</sup> FMC, AR-75-63-430-88, File: Blocked Accounts, Bogdan to Wieland, August 21, 1950 (FMC 0017856).

<sup>853</sup> FMC, AR-75-63-430, Box 91, File: Ford-Werke Finance Shares 1951-1953, Winter to Prance, October 17, 1951 (FMC 0002750).





DISPOSITION OF  
RESEARCH FINDINGS

The findings in this report are the result of an exhaustive search for pertinent records in the possession of Ford Motor Company and of numerous public archives in the United States, Germany and Great Britain. Descriptions of the 98,000 pages of source material have been entered into a searchable database that reflects the material's date and source, subject matter, content and other relevant data. The database and document collection are being donated, except where prohibited by privacy laws or regulations of the original repositories, to Henry Ford Museum & Greenfield Village, an independent, nonprofit educational institution unaffiliated with Ford Motor Company. At the museum, the donated collection and database will be made available to the public through the Benson Ford Research Center, an archival repository.

In addition to the materials located through the document search, the research team relied extensively on published sources. A bibliography of the most relevant published sources is attached in Appendix I.

Ford Motor Company's goal in instituting this research project was to conduct a deep search for additional facts to supplement the historical record. Every effort was made to perform a thorough and comprehensive search. As additional information comes to light, Ford Motor Company will update the document collection and the database at the Benson Ford Research Center. The material collected as a result of this research project will provide a significant resource for understanding the history of this period and of Ford-Werke under the Nazi regime.



# Appendix A

## INVESTMENT OF U.S. COMPANIES IN GERMANY, 1943

	Primary German Subsidiary	American Parent Company	Year Established	Amount of Investment	Percent of Total U.S. Investment
1	Deutsch-Amerikanische Petroleum-Gesellschaft	Standard Oil Co. (New Jersey)	1890	\$ 64,990,446	14.43%
2	Adam Opel Aktiengesellschaft	General Motors Corp.	1905	\$ 54,852,486	12.18%
3	F.W. Woolworth Co. GmbH	F.W. Woolworth Co.	1927	\$ 25,727,087	5.71%
4	Singer Nähmaschinen Aktiengesellschaft	International Securities Co.	1895	\$ 20,531,679	4.56%
5	Telefonfabrik Berliner AG	International Telephone & Telegraph Corp.	1900	\$ 19,369,932	4.30%
6	Singer Nähmaschinen AG	Singer Mfg. Co.	1895	\$ 18,661,180	4.14%
7	Kohlen Import & Poseidon AG	Hugo Stinnes Industries, Inc.	1920	\$ 16,062,153	3.57%
8	Aktien-Malsfabrik Landsburg AG	Corn Products Refining Co.	1871	\$ 14,434,541	3.21%
9	Nationale Radiator GmbH	American Radiator & Standard Sanitary Co.	1901	\$ 14,393,923	3.20%
10	International Harvester Company GmbH	International Harvester Co.	1908	\$ 14,183,273	3.15%
11	Deutsche Vacuum Oel AG	Socony-Vacuum Oil Co., Inc.	1900	\$ 12,623,510	2.80%
12	Kodak Aktiengesellschaft	Eastman Kodak Co.	1927	\$ 12,200,789	2.71%
13	Aktiengesellschaft fuer Anlagewerte	New Jersey Industries, Inc.	1898	\$ 11,497,238	2.55%
14	Roth-Buchner GmbH	Gillette Safety Razor Co.	1925	\$ 9,641,011	2.14%
15	Deutsche Hollerith Maschinen GmbH	International Business Machines Corp.	1934	\$ 9,000,128	2.00%
16	Ford-Werke AG	Ford Motor Co.	1925	\$ 8,549,061	1.90%
17	Ebano Asphalt-Werke Aktiengesellschaft	Pan Foreign Corp.	1928	\$ 8,377,970	1.87%
18	Deutsche Vereinigte Schuhmaschinen Gesellschaft	United Shoe Machinery Corp.	1900	\$ 8,375,714	1.86%
19	Mercedes Buromaschinen Werke AG	Underwood Elliott Fisher Co.	not stated	\$ 7,058,547	1.57%
20	Osram GmbH	International General Electric Co., Inc.	1919	\$ 6,655,334	1.48%
21	National Krupp Register-Kassen GmbH	National Cash Register Co.	1896	\$ 6,623,235	1.47%
22	Damm & Ladwig Kommandit Gesellschaft and Dulv Aktiengesellschaft	Yale & Towne Manufacturing Co.	1928	\$ 5,297,653	1.18%
23	Borvisk Kunstseiden AG	Continental "Borvisk" Co.	not stated	\$ 5,160,025	1.15%
24	Mergenthaler Setzmaschinen-Fabrik GmbH	Mergenthaler Linotype Co.	1896	\$ 3,687,116	0.82%
25	Allgemeine Erdol GmbH	Jadev Corp.	1921	\$ 2,641,659	0.59%
26	Allgemeine Oel-Handels GmbH	Atlantic Refining Co.	1920	\$ 2,602,778	0.59%
27	Powers GmbH	Remington Rand, Inc.	1914	\$ 2,593,143	0.58%
28	Ritter AG	Ritter Co., Inc.	1927	\$ 2,459,946	0.55%
29	Internationale Pressluft und Elektrizitäts GmbH	Chicago Pneumatic Tool Co.	1905	\$ 2,432,625	0.54%

# Appendix A

## INVESTMENT OF U.S. COMPANIES IN GERMANY, 1943

	Primary German Subsidiary	American Parent Company	Year Established	Amount of Investment	Percent of Total U.S. Investment
30	Steinway & Sons	Steinway & Sons	1889	\$ 2,159,152	0.48%
31	Deutsche Norton GmbH	Norton Co.	1909	\$ 2,081,690	0.46%
32	Coca-Cola GmbH	Coca-Cola Co.	1930	\$ 2,071,661	0.45%
33	Glucksklee Michgesellschaft GmbH	International Finance Co.	1925	\$ 1,847,527	0.41%
34	Ambi-Budd Presswerk, GmbH	Edward G. Budd Manufacturing Co.	1926	\$ 1,673,962	0.37%
35	Otis Aufzugswerke GmbH	Otis Elevator Co.	1931	\$ 1,619,955	0.36%
36	Gustav Lohse AG	International Affiliated Corp.	1922	\$ 1,403,188	0.31%
37	Deutsche Herskith AG	American-Austrian Magnesite Corp.	1928	\$ 1,400,147	0.31%
38	Deutsche Libby GmbH	Libby, McNeill & Libby	1926	\$ 1,365,489	0.30%
39	Holzwarth Gasturbinen GmbH	Schilling Estate Co.	1927	\$ 1,115,563	0.25%
40	Union Special Maschinenfabrik GmbH	Union Special Machine Corp. of America	1901	\$ 1,092,047	0.24%
41	Zinwerke Wilhelmsburg GmbH	National Lead Co.	not stated	\$ 947,104	0.21%
42	Maschinenfabriken Wagner Aktiengesellschaft	New England Industries, Inc.	1890	\$ 855,577	0.19%
43	American Express GmbH	American Express Co., Inc.	1907	\$ 845,749	0.19%
44	Kraft Kaese Werke GmbH	Kraft Cheese Co.	1927	\$ 759,462	0.17%
45	Oelwerke Julius Schindler GmbH	Pure Oil Co.	1920	\$ 698,849	0.16%
46	Westinghaus Bremsen GmbH	Westinghouse Air Brake Co.	1919	\$ 606,870	0.13%
47	Watch Tower Bible & Tract Society	Watch Tower Bible & Tract Society	1903	\$ 597,595	0.13%
48	Quaker Nahrmittel GmbH	Quaker Oats Co.	1922	\$ 586,767	0.13%
49	Pfaudler-Werke AG	Pfaudler Co.	1907	\$ 577,247	0.13%
50	Intertype Seznamaschinen GmbH	Intertype Corp.	1926	\$ 575,198	0.13%
51	Standard Elektrizitats Ges. AG	International Standard Electric Corp.	1930	\$ 465,884	0.10%
52	Ota Schlesische Schurwerke Ottmuth AG	Westhold Corp.	1930	\$ 441,100	0.10%
53	Unica Schiffstreuhand GmbH	United Fruit Co.	1936	\$ 327,639	0.07%
54	Addressograph-Multigraph GmbH	Addressograph-Multigraph Corp.	1928	\$ 305,688	0.07%
55	Verkehrs & Handels Aktiengesellschaft	United Continental Corp.	1898	\$ 266,770	0.06%
56	Almco Wascheremaschinen GmbH	American Laundry Machinery Co.	1903	\$ 253,460	0.06%
57	Deutsche Worthington Gesellschaft mbH	Worthington Pump & Machinery Corp.	1893	\$ 188,751	0.04%
58	Ahr, Krath and Co.	Delta Finance Co.	not stated	\$ 142,628	0.03%
59	Warner, W.R. and Co. GmbH	Wm. R. Warner & Co., Inc.	1904	\$ 52,671	0.01%

Source: NARA, RG 56, Acc. 56-68A-209, Box 38, File: TFR-500, Business Holdings in Germany of United States Firms, circa 1943 (NARA 0005992-0006638).

## Appendix B

# BOARD OF DIRECTORS – FORD-WERKE, 1925-1953

Name	Tenure
Albert, Heinrich F. – Germany	1930-1947; chairman 1937-1947
Bötzkes, Wilhelm (German Industrial Bank) – Germany	1940-1947
Bosch, Carl (I.G. Farben chairman) – Germany	1929-1939; died April 27, 1940
Breech, Ernest R. – U.S.	1947-1952
Carlson, George	1925
Cooper, Sir Stanford – U.K.	1947, 1951-1952
Craig, B.J. – U.S.	1925-1927
Davies, Sir John Thomas – U.K.	1929-1938
Ford, Edsel B. – U.S.	1925-1941; chairman 1925-1929; died May 1943
Ford, Henry – U.S.	1926-1927
Ford II, Henry – U.S.	1947-1952
Greiss, Frank	1951-1953
Gressard, Adolf – Germany	1953
Harrington, James J. – U.S.	1925
Hauss, C.W. – Germany	1947-1953; chairman 1947-1953
Hoppe, Ernst	1951-1953
Hünemeyer, Hans – Germany	1940-1947
Kalveram, Wilhelm	1951
Kanzler, Ernest C. – U.S.	1926
Krauch, Carl (I.G. Farben chairman) – Germany	1940-1947
Lehideux, Francois – France	1951-1952
Meyer, Kaj	1953 (manager)
Perry, Sir Percival – U.K.	1929-1939; chairman 1929-1937
Roberge, R.I. – U.S.	1947
Schmidt, Georg – Germany	1939-1940; died February 26, 1940
Schurig, Alwin – Germany	1929-1939; died August 31, 1940
Sjoberg, Sydney Thor	1926
Sorensen, Charles E. – U.S.	1930-1941
Waltermann, Hermann – Germany	1953
Wieland, Arthur J. – U.S.	1951-1952

Sources and Notes: FMC, AR-98-213541, Box 131, File: Cologne Organization and Management, List of Board Members 1925-1943, 1947 (FMC 0000679-0000680); FMC, AR-98-213546, Box 2, File: History of Plant - All Aspects, 1925-1946, Vitger Report, September 24, 1946 (FMC 0001967-0001968); FMC, AR-65-1500, Box 6, File: Ford-Werke No. 3, Business Report for 1944, 1945, 1946 (FMC 0003778-0003813), Business Reports for 1947, 1948 (FMC 0003565 and 0003579); FMC, AR-75-63-430, Box 60, Ford-Werke Annual Reports, 1949-1953, Business Report for 1951 (FMC 0016884), Business Report for 1952 (FMC 0016871); FMC, AR-75-63-430, Box 90, File: Ford-Werke Finance Reports 1953, Business Report for 1953 (FMC 0001138). On May 15, 1942, the German government abolished the authority of the board of directors and appointed a board of advisors consisting of the German members of the old board. These members – Albert, Bötzkkes, Hünemeyer and Krauch – resigned before the first postwar meeting on December 16, 1947. (Sorensen, the other surviving board member from before the war, left the company in early 1944.) See FMC, AR 65-71, Box 25, File: International 1947 #1, Vitger to Roberge, June 25, 1947 (FMC 0000100-0000102); Ford-Werke Records, Albert to Vitger, August 22, 1947 (FW 0003874), Böttcher to Vitger, September 4, 1947 (FW 0003875), Hünemeyer to Vitger, November 7, 1947 (FW 0003873), Bötzkkes to Vitger, November 11, 1947 (FW 0003876); and Nevins and Hill, *Ford: Decline and Rebirth*, 1933-1962, pp. 259-260.



## Appendix C

# FORD'S CONTRIBUTIONS TO THE ALLIED WAR EFFORT, 1939-1945

Corporate Entity	Quantity and Product
Ford Motor Company	4,400 gliders 8,700 B-24 bombers 57,900 Pratt & Whitney aircraft engines 2,400 MX engine assemblies 87,400 generators 52,300 superchargers 17,000 jettison fuel tanks 1,700 M-4 tanks 1,000 M-10 tanks 27,000 tank engines 12,500 armored cars 10,500 Fodors (military automobiles) 13,900 universal carriers 12,800 amphibian jeeps 282,400 jeeps 128,800 trucks
Ford of Britain	13,900 tracked vehicles 184,600 wheeled vehicles 262,000 V-8 engines 137,500 tractors
Ford of Canada	380,000 military vehicles including universal carriers, trucks, artillery tractors, transport units and scout cars
Ford of India	122,400 military vehicles
Ford of South Africa	34,900 military vehicles including cars, trucks and delivery wagons
Ford of New Zealand	5,200 military vehicles including trucks, staff cars and tractors 5,720,500 grenades 2,370,500 mortar shells 1,448,200 ordnance fuses

Note: All figures rounded to nearest hundred.

Sources: Hilary St. George Saunders, *Ford at War* (London: Harrison & Sons, circa 1947), p. 90 and Brief Statistics; FMC, Vertical File, File: World War II Production, Ford Motor Company's U.S. War Production Effort, 1941-1945, December 3, 1998 (FMC 0018716-0018717), Report on Ford Motor Company of Canada, January 26, 1999 (FMC 0018718).





## Appendix D

# NUMBERS OF WORKERS AT FORD-WERKE JANUARY 1941 - DECEMBER 1944

The following table presents a breakdown of the data used to create the bar chart, Labor Trends at Ford-Werke, in Section 7.3. This table was compiled from two sources:

- 1. Financial Ledger :** The first is a financial ledger from Ford-Werke internal records. The ledger contains monthly balance sheets reporting employment statistics for the period from 1941 to 1944. In some cases these statistics are broken into different categories of foreign workers at the plant; in other cases, there are no breakdowns.<sup>854</sup>
- 2. Staff Reports:** In a few instances, the ledger figures were supplemented by numbers from periodic staff reports prepared by Ford-Werke

production departments. These staff reports were located in a collection of British Royal Air Force bombing survey records at the Imperial War Museum in London.<sup>855</sup>

These sources generally agree on the numbers of foreign workers reported each month. Where the reported numbers differ widely, only the figures from the ledger have been included in this table. (For a fuller discussion of the inconsistencies between the ledger figures and the staff reports, and a description of the methodology used to calculate each worker category in this table, see the explanatory material that follows the table.)

<sup>854</sup> Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890). These figures also appear in a later report prepared by the postwar custodian, Erhard Vitger; see FMC, AR-75-62-616, Box 79, Custodian Report, (FMC 0001022-0001026).

<sup>855</sup> The figures for Russian workers in April 1942 come from IWM, FD 4369/45, Folder B, handwritten staff report, April 27 and May 4, 1942 (IWM 0000297). The figures for "Other Foreign Workers" from May through July 1942 come from IWM, FD 4369/45, Folder B, staff reports from May 15 to July 17, 1942 (IWM 0000283-0000292).

*Research Findings About Ford-Werke Under the Nazi Regime*

Note: The entry "n.a." indicates that there was not enough information available to provide meaningful statistics.

Date	Russian or Eastern Workers	Italian POWs	Other Foreign Workers	POWs	Total Foreign Workers	Total Work Force	Percentage (%) of Foreign Workers
Jan 1941	-	-	n.a.	n.a.	n.a.	3863	n.a.
Feb 1941	-	-	n.a.	n.a.	n.a.	3810	n.a.
Mar 1941	-	-	n.a.	n.a.	n.a.	3724	n.a.
Apr 1941	-	-	n.a.	n.a.	n.a.	3732	n.a.
May 1941	-	-	n.a.	n.a.	n.a.	3651	n.a.
Jun 1941	-	-	n.a.	n.a.	n.a.	3647	n.a.
Jul 1941	-	-	n.a.	n.a.	n.a.	3663	n.a.
Aug 1941	-	-	n.a.	n.a.	n.a.	3581	n.a.
Sep 1941	-	-	n.a.	n.a.	n.a.	3605	n.a.
Oct 1941	-	-	n.a.	n.a.	n.a.	3609	n.a.
Nov 1941	-	-	n.a.	n.a.	n.a.	3500	n.a.
Dec 1941	-	-	n.a.	n.a.	n.a.	3476	n.a.
Jan 1942	-	-	n.a.	n.a.	n.a.	3435	n.a.
Feb 1942	-	-	n.a.	n.a.	n.a.	3471	n.a.
Mar 1942	-	-	n.a.	n.a.	n.a.	3500	n.a.
Apr 1942	314	-	n.a.	n.a.	n.a.	3594	n.a.
May 1942	320	-	94	94	508	3978	12.8
Jun 1942	621	-	101	92	814	4182	19.5
Jul 1942	610	-	103	90	803	4143	19.4
Aug 1942	567	-	n.a.	91	n.a.	4104	n.a.
Sep 1942	570	-	n.a.	89	n.a.	4172	n.a.
Oct 1942	715	-	n.a.	89	n.a.	4512	n.a.
Nov 1942	679	-	n.a.	83	n.a.	4613	n.a.
Dec 1942	677	-	n.a.	85	n.a.	4648	n.a.
Jan 1943	677	-	448	86	1211	4625	26.2
Feb 1943	670	-	575	84	1329	4579	29.0
Mar 1943	711	-	488	81	1280	4816	26.6
Apr 1943	671	-	518	80	1269	4855	26.1
May 1943	751	-	526	79	1356	4998	27.1
Jun 1943	749	-	n.a.	79	n.a.	4985	n.a.
Jul 1943	753	-	n.a.	79	n.a.	5115	n.a.
Aug 1943	743	-	696	-	1439	5137	28.0
Sep 1943	749	-	570	-	1319	5108	25.8
Oct 1943	900	-	489	-	1389	5306	26.2
Nov 1943	777	568	478	-	1823	5783	31.5
Dec 1943	789	559	458	-	1806	5711	31.6
Jan 1944	788	552	465	-	1805	5600	32.2
Feb 1944	789	554	420	-	1763	5298	33.3
Mar 1944	790	533	420	-	1743	5198	33.5
Apr 1944	786	505	400	-	1691	5175	32.7
May 1944	795	486	527	-	1808	5138	35.2
Jun 1944	870	497	536	-	1903	5223	36.4
Jul 1944	881	490	549	-	1920	5199	36.9
Aug 1944	882	496	554	-	1932	5208	37.1
Sep 1944	n.a.	-	n.a.	-	n.a.	n.a.	n.a.
Oct 1944	n.a.	-	n.a.	-	n.a.	n.a.	n.a.
Nov 1944	n.a.	-	n.a.	-	n.a.	n.a.	n.a.
Dec 1944	865	-	n.a.	-	n.a.	n.a.	n.a.

Note: Regarding December 1944 figures on the table, the ledger does not specify the nationality of these workers, referring to them only as "foreign civil workers." The placement of the line item, the term "civil" and the actual number of workers, however, are all consistent with their identification as Russian civilian workers. Little other information could be found on the work force during the period from October through December 1944, when Ford-Werke was dispersing equipment and some workers to other locations. See Ford-Werke Records, Financial Ledger, December 1944-December 1946, Balance Sheet, December 31, 1944 (FW 0008273).

## Additional Notes and Methodology Regarding Appendix D

The numbers in the table primarily reflect data from Ford-Werke's financial ledger. However, the categories of workers in the table are not identical to those in the ledger. Therefore, the following explanation will be helpful in understanding the method used to tabulate the information in the table.

- **Financial Ledger Categories:** The ledger divides Ford-Werke employees into four broad categories based on function and mode of compensation. These categories are:
  - Salaried technical workers
  - Salaried business executives
  - Workers paid hourly wages (Beginning in January 1943, the monthly balance sheets showed a footnote for this category, indicating that this figure included a reported number of "foreign workers." This most likely refers to Western workers, although the ledger does not say this explicitly.)
  - Others (Beginning in May 1942, this last category included a separate line item for Eastern workers and POWs. A line item for Italian POWs appeared in November 1943.)
- **Appendix D Columns:** The figures in the columns for Russian or Eastern Workers,<sup>856</sup> Italian POWs<sup>857</sup> and POWs<sup>858</sup> were taken directly from the figures reported under the "Other" category in the financial ledger's monthly balance sheets.<sup>859</sup>
- The figures reported in the "Total Work Force" column of the table were calculated by adding monthly figures from all four categories in the monthly balance sheets.

<sup>856</sup> The terms "Russian" and "Eastern" often were used interchangeably in Germany throughout the war to describe workers from all parts of the Soviet Union. From February 1943, Ford-Werke's monthly financial statements began classifying all civilian workers from the East, including Russians, as Eastern workers.

<sup>857</sup> Although the Italian workers who arrived in November 1943 were technically POWs, they were treated differently from the Western POWs and accounted for separately. In August 1944, Italian POWs were reclassified as ordinary foreign (Western) workers and accounted for in the monthly balance sheets as such. See FMC, AR-75-62-616, Box 79, Custodian Report (FMC 0001023).

- The figures reported in "Other Foreign Workers" were taken from the footnoted figure reported in the financial ledger monthly balance sheets under the "Workers paid hourly wages" category described above. (Where the footnote was absent – from January 1941 through December 1942, and for June and July 1943 – no figures for "Other Foreign Workers" are provided in this table because the ledger does not provide enough information to differentiate between Western foreign workers and German workers.)<sup>860</sup>
- The numbers in the "Total Foreign Workers" column were computed by adding the numbers reported under Russian or Eastern Workers, Italian POWs, POWs and Other Foreign Workers, as described above. (Again, no figures for "Total Foreign Workers" are provided in the table when the available data does not include precise information for that month.)
- "Percentage of Foreign Workers" was calculated by comparing "Total Foreign Workers" and "Total Work Force" figures, when available. Values were rounded to the nearest 0.1 percent.

## Comparing the Figures in the Financial Ledger and the Staff Reports

There is a notable inconsistency in the employment figures for "Other Foreign Workers" in the financial ledger and in the production department staff reports. In particular, from late 1943 to early 1944, the staff reports indicate an additional 250 to 350 workers categorized as "Other Foreign Workers," compared with the financial ledger.

<sup>858</sup> Ford-Werke Records, Financial Ledger, January 1942-September 1944 (FW 0007011-0007890).

<sup>859</sup> Note that the figure for Russian workers in April 1942 comes from IWM, FD 4369/45, Folder B, handwritten staff report, April 27 and May 4, 1942 (IWM 0000297).

<sup>860</sup> The figures for May through July 1942, however, came from IWM, FD 4369/45, Folder B, staff reports from May 15 to July 17, 1942 (IWM 0000283-0000292).

Several personnel department staff reports indicate that these extra workers appear to be “absentee” foreign workers who are formally listed as being assigned to Ford-Werke but who have not reported to work. This group includes Western workers who failed to return from vacation.<sup>861</sup>

In the financial ledger, however, these absent foreign workers appear not to have been included in the footnoted number of “Other Foreign Workers.”

According to personnel department staff reports from early 1944, Ford-Werke began removing the

unexcused workers from the rolls in January 1944.<sup>862</sup> By May 1944, foreign worker figures in the staff reports are consistent with the numbers in the financial ledger. However, due to uncertainty regarding the departure dates of the missing foreign workers, no attempt was made to correct numbers from the financial ledger using the numbers from the staff reports.

As a result, the table’s “Total Work Force” statistics from late 1943 and early 1944 may include a number of foreign workers who were no longer employed at Ford-Werke.

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<sup>861</sup> See IWM, FD 4369/45, Folder E, Scheid to Armaments Ministry, July 22, 1943 (IWM 0000759-0000760).

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<sup>862</sup> See, for example, IWM, FD 4369/45, Folder A, staff report summaries, January 21, January 28 and February 4, 1944 (IWM 0000394, IWM 0000397 and IWM 0000400).

## Appendix E

# WAR DAMAGE CLAIMS

<b>Form 846 (Form submitted by claimants to the U.S. government)</b>			
<b>Description of Damages</b>	<b>Amount of Claim</b>		<b>Claim in U.S.Dollars</b>
	<b>RM</b>	<b>DM</b>	
Buildings destroyed	1,232,139	23,512	\$ 495,319
Damage to buildings	<u>1,301,279</u>	<u>111,392</u>	<u>511,097</u>
Total Buildings	2,533,418	134,904	1,006,416
Loss and/or damage to machinery and material in outside storage areas	8,699,926		3,479,971
Materials lost in transit from suppliers	560,997		224,399
Machinery and material damaged in the Ford-Werke plant	1,078,614	1,205	417,056
Claims for materials supplied to German authorities without payment	13,349,909		5,339,964
Other losses	5,043,117		2,017,247
Less adjustments: Items that are included in the above totals but are ineligible under the War Claims Act	<u>(59,063)</u>		<u>(23,625)</u>
Total Other Property	<u>28,673,501</u>	1,205	11,455,011
Total amount of claim	<u><u>31,206,919</u></u>	<u><u>136,109</u></u>	<u><u>12,461,427</u></u>
Ford Motor Company's stock ownership percentage in Ford-Werke (56.575%), rounded			56.58%
Total amount claimed			<u><u>\$ 7,050,052</u></u>

Source: DOJ 0010550: 299 Foreign Claims Settlement Commission, Claim of Ford Motor Company under Title II of the War Claims Act of 1948, as amended by Public Law 87-846.

Notes: The amount listed for "Buildings destroyed" includes RM559,211.16 (\$223,684.47) for buildings in Austria. The amount listed for "Other losses" includes RM 885,881.50 (\$354,352.60) for losses of equipment and materials in Austria. See WNRC, Acc. 299-68A-0243, Box 540, File: Claim of Ford Motor Company, List of Damages and Losses (DOJ 0010551 and DOJ 0010554).



## Appendix F

# FORD - WERKE BALANCE SHEETS

	1939	1945	06/20/48	06/21/48	1953
	RM	RM	RM	DM Converted	DM
<b>ASSETS</b>					
Total Cash	1,231,101	22,625,941	24,251,449	1,651,869	6,490,669
Inventory	21,187,127	15,002,737	9,486,455	13,747,007	39,949,904
Other Current Assets	19,364,775	21,462,787	7,962,101	1,266,927	14,384,244
Fixed Assets, Net	18,129,190	9,073,269	11,728,423	21,541,807	41,700,898
Other Assets	1	1	1	1	1
Investments	558,762	694,662	500,003	50,003	50,003
<b>Total Assets</b>	<u>60,470,956</u>	<u>68,859,397</u>	<u>53,928,432</u>	<u>38,257,614</u>	<u>102,575,719</u>
<b>LIABILITIES</b>					
Current Liabilities	(31,354,602)	(26,031,783)	(7,742,583)	(1,896,009)	(26,404,111)
Unclaimed Dividends	(122,094)	(3,280,416)	(711,690)	(71,169)	(441,049)
Accrued Liabilities	(249,457)	(566,264)	(671,896)	(715,516)	(516,646)
Reserve for Uncertain Liabilities – Tax	(1,049,178)	-	(1,072,151)	(130,602)	(103,367)
Reserve for Uncertain Liabilities – Special	-	-	-	-	(8,600,000)
Reserve for Uncertain Liabilities – Other	(3,894,582)	(4,767,036)	(4,202,006)	(244,318)	(22,300,826)
<b>Total Liabilities</b>	<u>(36,669,913)</u>	<u>(34,645,499)</u>	<u>(14,400,326)</u>	<u>(3,057,614)</u>	<u>(58,365,999)</u>
<b>SHAREHOLDERS' EQUITY</b>					
Capital Stock	(20,000,000)	(32,000,000)	(32,000,000)	(32,000,000)	(32,000,000)
Statutory (Legal) Reserve	(2,000,000)	(3,600,000)	(3,600,000)	(1,800,000)	(5,200,000)
Free Reserve	-	(3,000,000)	(3,000,000)	(1,400,000)	(4,500,000)
Retained Earnings	(1,801,043)	4,386,102	(928,106)	-	(2,509,720)
<b>Total Liabilities and Equity</b>	<u>(60,470,956)</u>	<u>(68,859,397)</u>	<u>(53,928,432)</u>	<u>(38,257,614)</u>	<u>(102,575,719)</u>

Sources: Ford-Werke Audited Financial Statements and Business Reports, specifically FMC 0017068-0017070, FMC 0003798-0003801, FMC 0006720-0006721, FMC 0001229, FMC 0016021.





# FORD-WERKE RESULTS OF OPERATIONS, 1933-1953

	1933		1934		1935		1936		1937		1938
	RM	%	RM	%	RM	%	RM	%	RM	%	RM
Sales	17,738,528	100%	30,017,064	100%	42,568,062	100%	64,993,336	100%	94,317,228	100%	120,974,483
Trading Income (a)	3,656,242	21%	8,124,639	27%	12,520,289	29%	17,541,126	27%	14,468,568	15%	17,944,842
Discounts							155,396	0%	336,153	0%	382,712
Returns On Investment With Credit Company					30,000	0%	30,000	0%	30,000	0%	30,000
Interest Income					22,379	0%	82,827	0%	28,536	0%	
Other Inc./Extraordinary Ret. Extraordinary Income	6,971,483	39%	7,107,149	24%							
			1,116,252	4%	757,316	2%	287,415	0%	156,074	0%	359,796
Subtotal	10,627,725	60%	16,348,040	54%	13,329,984	31%	18,096,764	28%	15,019,331	16%	18,717,350
Wages & Salaries	2,653,868	15%	3,880,392	13%	5,623,768	13%	7,697,748	12%	10,877,192	12%	13,314,899
Social Expenses	209,257	1%	306,560	1%	402,131	1%	542,775	1%	744,726	1%	1,221,287
Depreciation Expense	2,367,238	13%	7,351,774	24%	857,737	2%	867,844	1%	1,294,714	1%	828,759
Subscriptions To Trade Associations							41,751	0%	51,628	0%	
Other Expenses	3,216,426	18%	4,362,307	15%	6,000,224	14%	7,981,717	12%	19,012	0%	71,427
Other Taxes (c)											
Subtotal	8,446,789	48%	15,901,033	53%	12,883,860	30%	17,131,835	26%	12,987,272	14%	15,436,372
Interest	123,800	1%	93,434	0%							136,864
Extraordinary Charges											234,515
Total Costs	8,570,589	48%	15,994,467	53%	12,883,860	30%	17,131,835	26%	12,987,272	14%	15,807,751
Pretax Income	2,057,136	12%	353,573	1%	446,124	1%	964,929	1%	2,032,059	2%	2,909,599
Income Taxes (c)	358,447	2%	349,747	1%	383,345	1%	596,029	1%	1,017,754	1%	1,696,242
Net Income Before Reserves	1,698,690	10%	3,825	0%	62,779	0%	368,900	1%	1,014,304	1%	1,213,359
Miscellaneous Reserves											
Free Reserve									300,000	0%	300,000
Statutory Reserve											
Legal Reserve											
Net Income (Loss) After Reserves	1,698,690	10%	3,825	0%	62,779	0%	368,900	1%	714,304	1%	913,359
Dividends Declared	0	0%	0	0%	0	0%	0	0%	0	0%	1,000,000

Sources: Ford-Werke Audited Financial Statements and Business Reports, specifically HFM 0006414-0006415, HFM 0006428-0006429, HFM 0006303-0006304, HFM 0006316-0006317, HFM 0006329-0006330, FMC 0017027-0017028. See notes (a) and (c) on page 3.

# FORD-WERKE RESULTS OF OPERATIONS, 1933-1953

	1939	1940	1941	1942	1943	1944	1945
	RM	RM	RM	RM	RM	RM	RM
Sales	140,264,671	118,834,824	127,911,198	132,774,560	181,425,534	151,491,332	35,035,708
Trading Income (a)	21,776,397	24,221,728	28,349,536	31,543,658	38,024,885	37,174,565	17,866,195
Discounts	418,277	93,224	0	620,780	540,833	359,596	40,846
Returns On Investment With Credit Company	30,000	0	0	0	0	0	0
Interest Income		11,013	22,026	22,026	0	108,026	0
Other Income		888,759	732,526	872,273	2,111,498	1,039,843	3,085,765
Extraordinary Income	1,714,097	1%	1%	1%	1%	1%	1%
Subtotal	23,938,771	17%	29,453,421	33,058,737	40,677,216	38,746,230	21,015,025
Wages & Salaries	15,745,117	11%	14,735,116	15,542,085	(b)	17,574,921	8,638,663
Social Expenses	1,749,685	1%	2,164,100	902,450	(b)	3,515,369	1,783,065
Depreciation Expense	1,716,211	1%	2,230,232	3,875,800	(b)	4,235,557	1,863,741
Subscriptions To Trade Associations		73,358	80,578	82,319	(b)		
Other Expenses	82,128	0%	4,103	2,628,673	(b)	111,882	60,785
Other Taxes (c)		4,103	3,795,464	6,625,186	(b)	2,564,675	550,991
Subtotal	19,293,141	14%	19,206,909	29,656,515	35,627,610	28,002,404	12,897,245
Interest	637,879	0%	1,223,941	173,842	144,877	0	0
Extraordinary Charges	102,222	0%	227,379	1,145,911	1,735,343	12,855,969	8,950,847
Total Costs	20,033,242	14%	20,430,850	30,976,268	37,507,830	40,858,373	21,848,092
Pretax Income	3,905,529	3%	4,783,874	2,082,469	3,169,386	(2,112,143)	(833,067)
Income Taxes (c)	2,217,652	2%	3,067,271	(c)	(c)	619,545	2,600,024
Net Income Before Reserves	1,687,876	1%	1,716,604	2,082,469	3,169,386	(2,731,689)	(3,433,091)
Miscellaneous Reserves							
Free Reserve			1,000,000	1%	1,000,000	1%	0
Statutory Reserve							
Legal Reserve	400,000	0%				0	0
Net Income (Loss) After Reserves	1,287,876	1%	1,716,604	1%	2,169,386	(2,731,689)	(3,433,091)
Dividends Declared	1,000,000	1%	1,000,000	1%	1,600,000	0	0

Sources: Ford-Werke Audited Financial Statements and Business Reports, specifically FMC 0017073-0017074, FMC 0017011-0017012, FMC 0017039, FMC 0017041, FMC 0017030, FMC 0003795-0003796, FMC 0017036-0017037, BAL 7515, BAL 3309. See notes (a), (b) and (c) on page 3.

# FORD-WERKE RESULTS OF OPERATIONS, 1933-1953

	1946		1947		6 Months 6/20/48		18 Months 1949		1950		1951		1952		1953	
	RM	%	RM	%	RM	%	DM	%	DM	%	DM	%	DM	%	DM	%
Sales	67,535,807	100%	48,309,174	100%	30,048,479	100%	208,426,531	100%	170,562,611	100%	235,112,035	100%	306,911,000	100%	301,367,000	100%
Trading Income (a)	28,925,478	43%	19,178,382	40%	11,340,154	38%	58,045,794	28%	44,099,092	26%	45,235,108	20%	60,159,459	20%	69,717,986	23%
Discounits	160,552	0%	102,776	0%	72,908	0%	580,676	0%	926,554	0%	1,526,849	1%	1,838,804	1%	1,626,163	1%
Returns On Investment With Credit Company							59,073	0%	383,748	0%	251,859	0%	115,049	0%		
Interest Income			12,071	0%			113,760	0%	87,804	0%	110,555	0%			2,087,004	1%
Other Income			5,106,846	11%	4,681,115	16%	671,577	0%	1,089,043	1%	97,235	0%	1,592,110	1%	378,674	0%
Extraordinary Income	2,203,097	3%														
Subtotal	31,289,127	46%	24,400,075	51%	16,094,177	54%	59,470,880	29%	46,586,241	27%	47,221,606	20%	63,705,422	21%	73,809,827	24%
Wages & Salaries	10,542,324	16%	10,008,672	21%	5,315,638	18%	24,905,969	12%	20,992,771	12%	25,213,933	11%	31,300,010	10%	34,157,451	11%
Social Expenses	2,137,389	3%	2,397,298	5%	1,041,525	3%	6,436,287	3%	5,749,417	3%	5,764,778	2%	7,493,249	2%	6,214,403	2%
Depreciation Expense	1,414,736	2%	1,411,710	3%	510,101	2%	5,586,877	3%	3,658,477	2%	4,278,335	2%	4,014,262	1%	4,663,390	2%
Subscriptions To Trade Associations																
Other Expenses	21,436	0%	21,436	0%	10,922	0%	45,394	0%	97,610	0%	41,188	0%	76,900	0%	48,467	0%
Other Taxes (c)	2,248,691	3%	1,250,295	3%	810,111	3%	5,304,827	3%	3,809,140	2%	5,516,949	2%	7,873,716	3%	6,785,475	2%
Subtotal	16,364,576	24%	15,089,411	31%	7,688,297	26%	42,279,354	20%	34,307,415	20%	40,815,183	17%	50,758,137	17%	51,869,186	17%
Interest	8,215	0%	15,130	0%	6,322	0%									34,949	0%
Extraordinary Charges	10,133,330	15%	2,403,370	5%	3,894,921	13%	6,323,320	3%	575,515	0%	516,065	0%	1,701,778	1%	157,756	0%
Total Costs	26,506,121	39%	17,507,911	36%	11,579,540	39%	48,602,674	23%	34,882,930	20%	41,331,248	18%	52,459,915	17%	52,061,891	17%
Pretax Income	4,783,006	7%	6,892,164	14%	4,514,637	15%	10,868,206	5%	11,703,311	7%	5,890,358	3%	11,245,507	4%	21,747,936	7%
Income Taxes (c)	4,132,071	6%	5,222,403	11%	1,521,126	5%	9,434,008	5%	9,265,107	5%	4,520,842	2%	9,328,875	3%	14,358,030	5%
Net Income Before Reserves	650,935	1%	1,669,762	3%	2,993,511	10%	1,434,199	1%	2,438,204	1%	1,369,516	1%	1,918,631	1%	7,389,907	2%
Miscellaneous Reserves																
Free Reserve															3,000,000	1%
Statutory Reserve															1,700,000	1%
Legal Reserve																
Net Income (Loss) After Reserves	650,935	1%	1,669,762	3%	2,993,511	10%	434,199	0%	2,057,467	1%	1,369,516	1%	1,918,631	1%	2,000,000	1%
Dividends Declared	0	0%	0	0%	0	0%	0	0%	1,600,000	1%	0	0%	960,000	0%	960,000	0%

Sources: Ford-Werke Audited Financial Statements and Business Reports (FMC 0003811-0003812, FMC 0003574-0003575, FMC 0006723-0006724, FMC 0003601-0003602, FMC 0017055, FMC 0016894-0016895, FMC 0016881, FMC 0001156). Sales amounts in the years 1933 through 1945 were obtained from the "Survey of German Motor Industry," April 15, 1948, E.J. Palumbo, Ford International Division Controller (FMC 0000850-0000909). Sales for 1946 through 1950 were from Ford-Werke Audit Reports, and sales for 1951 through 1953 were obtained from the Ford International Handbook 1946-1953, and converted to Deutsche Marks from U.S. Dollars (FMC 0008155). The amounts were stated in U.S. dollars and converted to DM using conversion rates provided in the document (FMC 0008181-0008182) and converted to Deutsche Marks from U.S. Dollars (FMC 0008155). Sales conversion calculations for 1951-1953: 1951: \$55,979,000/2,380,950 = DM235,112,000, 1952: \$73,074,000/2,380,950 = DM306,911,000, 1953: \$71,754,000/2,309,500 = DM301,367,000. Notes: (a) Trading Income was generally equal to Sales less Material Cost and Overhead, but not including wages and salaries. (b) The Ford-Werke Audited Financial Statements for 1943 were available; however, they were difficult to read. The Expense Subtotal in 1943 includes wages and salaries, depreciation, income tax and contributions. (c) Income taxes from 1933 to 1937 were labeled as Property Taxes. Income taxes for 1941-1943 were included in the "Other Taxes" category.



## **A p p e n d i x H**

# **G L O S S A R Y O F R E P O S I T O R Y S O U R C E S**

Every page of every document collected in this research effort has had a unique number affixed to it. Each number has a prefix that indicates the archival repository or research file from which it originated. The following list explains the prefixes and lists the names of the original repositories.

AGB or BW – Archiv der Gedenkstaette Buchenwald

BA-F – Bundesarchiv/Militärarchiv - Freiburg (branch of the German federal archives in Freiburg)

BA-K – Bundesarchiv - Koblenz (branch of the German federal archives in Koblenz)

BA-L – Bundesarchiv - Lichterfelde (German federal archives in Berlin)

CL1 – Coopers & Lybrand (predecessor to PricewaterhouseCoopers)

DOJ – [U.S.] Department of Justice Foreign Claims Settlement Commission files (See also WNRC, where files are stored)

ELDE – NS-Dokumentationszentrum der Stadt Köln (also known as the ELDE House or EL-DE House, a documentation center holding records relating to Cologne's experiences during the Nazi era)

FMC – Ford Motor Company

FMCL – Ford Motor Company Ltd. (Ford of Britain)

FW – Ford-Werke, Cologne

GER – Published sources in Germany, as well as primary materials from several smaller German archives

HAI – Primary source material from smaller repositories in the Washington, D.C., area

HASStK or HASK – Historisches Archiv der Stadt Köln (Cologne city archives)

HFM – Henry Ford Museum & Greenfield Village Research Center

HP – Highland Park Records Storage, Ford Motor Company

HStAD or HSAD – Nordrhein-westfälisches Hauptstaatsarchiv, Düsseldorf (central state archives branch for the Cologne region)

IWM – Imperial War Museum

LOC – [U.S.] Library of Congress

NARA – [U.S.] National Archives and Records Administration

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Research Findings About Ford-Werke Under the Nazi Regime

PRO – Public Record Office (national archives of Great Britain)

ThHStAW or HSTH – Thüringisches Hauptstaatsarchiv, Weimar (central state archives branch for the Weimar region in Germany)

VDA – Verband der Automobilindustrie (Automobile Industry Association in Germany)

WNRC – [U.S.] Washington [D.C.] National Records Center (See also DOJ, where files originated)

Note: In addition to privacy laws and regulations restricting the availability of documents from repositories in Germany, the originals of some of the documents being donated to the Ford Museum & Greenfield Village may not be available to the public from the source repositories. This applies in particular to Cooper & Lybrand (CLB); Department of Justice Foreign Claims Settlement Commission files (FCS); Ford Motor Company (FMC); Ford Motor Company Ltd (Ford of Britain) (FMCoB); Ford-Werke Cologne (FW); and Highland Park Records Stage - Ford Motor Company (HRC). Research materials from VDA are available only to members of the organization.

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AN INDEPENDENT ASSESSMENT  
OF THE  
FORD MOTOR COMPANY  
RESEARCH PROJECT  
ON FORD-WERKE  
UNDER THE NAZI REGIME

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For

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# EXECUTIVE SUMMARY

## Introduction

This assessment is the culmination of an independent three-year analysis of the objectives, methods, and results of Ford Motor Company's 3½-year project to assemble copies of documents about the use of forced labor by Ford Motor Company's plant in Cologne, Germany during World War II. I have evaluated the thoroughness and objectivity of Ford's attempt to document these events and I have examined in some detail the process and methods employed by the Ford Archives Research Project to "find the facts" about this and related issues. Appendix A provides a summary of how I monitored the work of the Ford Archives Research Project over the past three years. In my review of this process, I have been guided by the following questions:

- Is the research plan and process consistent with Ford's announced objective, which is to find out what happened at Ford-Werke during the war?
- Has the effort to locate documents been uncompromising and made without regard to any adverse consequences to Ford Motor Company?
- Are the proposed procedures for making this evidence available to anyone who wishes to study it adequate to this purpose?

- How will people gain access to the collection and be able to use it?
- What does the collection contain, what is its potential for research, and what items of significance are missing from the collection?

This report is divided into five main parts, which are supplemented by a conclusion and appendices:

- I. The Ford Archives Research Project** examines the work of the Project and how it has attempted to fulfill Ford Motor Company's initial promise to find the facts about what actually happened at Ford-Werke during World War II. Two topics are examined in this section of the report: first, the challenge to Ford Motor Company and the company's response; second, the methods and procedures for locating documents and the critical factors involved in assembling the collection.
- II. Motivation and Implications for Undertaking the Ford Archives Research Project** explores Ford's motives for undertaking this project and examines its potential implications for other institutions, including corporations, and for general society as well.

- III. **Assessing the System of Access** discusses how the collection will be made accessible to the public and what tools have been created for using it.
- IV. **Assessing the Ford Archives Research Project** examines the critical factors affecting the project, including those that expanded its scope, delayed its completion, and enabled the project to be successful.
- V. **Assessing the Collection** discusses the scope and content of the collection — what is in the collection, what is not, and what is the collection’s potential for research?

## Findings

I have seen everything I requested and met freely with everyone from project staff to corporate executives and I am personally convinced that Ford Motor Company has not only fulfilled its original promise “to find out what happened,” but has traveled an extra mile in doing so. Ford developed and implemented a plan and committed to a process that was consistent with its announced objective of finding the facts. The following five findings are particularly revealing about the conduct of the entire project and the company’s determination to learn the truth about a difficult and painful period in its history:

- The effort to locate documents has been made without compromise and without regard to possible adverse consequences to the company. The resulting collection was assembled not only from Ford’s own archives but also from multiple sources on two continents. Few, if any, American companies have ever conducted an archival research project of this magnitude.
- At the very beginning of the project, the company made the critical decision to separate the legal and fact-finding processes. Thus, the fact-finding process was not driven or tightly connected to the legal arguments of the company, as it generally is when corporations are involved in litigation. Putting the fact-finding process on a separate track gives additional credence to the company’s initial

claim that it intended to find out what really happened.

- The Ford Archives Research Project has created an unparalleled system of access that offers a variety of paths into the collection, providing both item-level access and the historical context for the documents in the collection. The database — which is key to using the collection — follows a legal model, resulting in a database that is a marvel for retrieving information.
- The Ford Archives Research Project developed a report on research findings that maps the major themes covered by the collection and indicates the collection’s strengths and a few gaps in the documentation; it also permits the facts to speak for themselves, even when the evidence is ambiguous or contradictory. It is possible that additional evidence will be discovered in the future, but it is unlikely that the basic story told by this collection will change appreciably as a result of any future discoveries.
- Ford decided at the outset to give the collection to an independent institution — before it was even known what “facts” might be uncovered — and make the data available, without restriction, to anyone who wished to see it. Moreover, I believe Ford’s initial decision to find the facts, whatever they were, and its ongoing commitment to open access were critical to the dedication of the independent historians and archivists who worked on this project. This dedication is reflected in the richness of the collection these historians and archivists have created.

Ford’s decision to “find the facts” about what happened at Ford-Werke during World War II and make the results of this search accessible to everyone sets a high standard for how corporations, especially global corporations, will now have to respond to inquiries about past policies and practices. Ford’s thorough and uncompromising response to questions about the use of forced labor at Ford-Werke during World War II will make it more difficult for corporations to avoid public scrutiny on the grounds that they do not have an archive.



THE FORD ARCHIVES  
RESEARCH PROJECT

**Challenge to Ford and the Company's Response**

In February 1998, the British Broadcasting Corporation aired a program charging Ford Motor Company with using forced labor at its Ford-Werke plant in Cologne, Germany during World War II. On March 4, 1998, a class-action suit was filed against Ford Motor Company and Ford-Werke. The suit claimed that Ford's senior management during World War II had some control over its German plant and that Ford profited substantially from the use of forced labor.

Although Ford moved to have the suit dismissed, Ford also announced that it had "instituted an active and deeper search of Ford archives in the United States to see if there are additional facts available than those used by earlier historians. We are also instituting a similar search in Germany...When we receive the results of this effort, we will proceed from there."<sup>1</sup> With this announcement, Ford publicly committed to an aggressive effort to gather documentary evidence about this period — regardless of potential adverse consequences to the company. Ford management made several additional decisions to ensure the integrity and thoroughness of the "fact-finding" effort; these decisions were uncommon, perhaps unique, for any organization or institution, especially an international

corporation. Some of these decisions may have far-reaching implications for other institutions that go well beyond the initial charges and response of Ford Motor Company.

**Ford's Unprecedented Response**

As part of its stated mission to search its archives, Ford decided to find the facts, regardless of how they reflected on the company, instead of commissioning a history.

Ford's response is unusual because its management chose not only to find the facts and create a collection of documents, but also because the company decided to open the collection to the public. Generally, companies confronted with questions about their past hire a consultant to investigate the matter or write a history, but rarely is the public invited to consider the evidence upon which the report is based. Authorized histories or reports, the standard response of both American and German automobile manufacturers, are nearly always based on privileged access to the archives. No matter how many assurances are given as to the independence of the scholar, or how brilliant the resulting book or

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<sup>1</sup> Statement by John Rintamaki, March 4, 1998. At the time, he was Ford Motor Company secretary. He has since been named chief of staff, Ford Motor Company.

report, inevitably, there is suspicion that something has been withheld or that the interpretation has been altered to the benefit of the employer.<sup>2</sup> This is not to say that an institution, be it a university, a corporation, or even a church, does not have good reasons for wanting a history reflecting its own perspective and self-image. This type of biased approach, however, casts suspicion on even the most innocent of organizations. To avoid this taint, it is especially important for the evidence documenting these activities and events to be open to public scrutiny.

## Separate Processes

Ford also committed to a dual process that would maintain separate tracks, one for any litigation resulting from the class-action suit and the other for the “fact-finding” research project that, Ford stated, would continue regardless of the outcome of the class-action suit. Again, this decision was unusual. Ordinarily, legal prerogatives govern a company’s response to a legal action. Certainly, the specific evidentiary needs of the legal team did, as we shall see, have a significant impact on the Ford Archives Research Project’s fact-finding work and, even more, on the design of the system for retrieving documents from the growing collection. But the dual process did indeed remain separate and distinct throughout the project, and at no time was evidence put aside or discounted because it might raise questions or create difficulties for Ford’s lawyers. Evidence turned up by an aggressive research effort might be helpful to Ford lawyers, but it might also have been subject to discovery by lawyers litigating against Ford if these actions had gone to trial. In fact, historical research continued long after all of the legal charges against Ford had been dismissed.

Traditionally, it is a matter of policy that corporations do not keep their records any longer than is legally required. The assumption is that without evidence,

liability is limited. Certainly, aggressively looking for records from half a century ago is, from this perspective, inadvisable. The truth, however, is that the ability of any institution to destroy records in the hope of avoiding responsibility for past actions is extremely problematic; the complex web of evidence supporting corporate memory is almost impossible to eliminate. Someone, often when it is least expected, will uncover the evidence, incriminating or not, at another agency or government office. The long life of evidence even after 50 years and a world war is amply demonstrated by the mass of materials unearthed by this project.

## Revealing the Project’s Scope

In the beginning of the project, when Ford announced its intention to find the facts, nearly everyone assumed that few documents could have survived the war. Moreover, it was presumed two fires at the Cologne plant — one during and one after the war — had destroyed most of the documents covering the operation of Ford-Werke during this period. In the end, however, the Ford Archives Research Project has created a collection of more than 98,000 pages of documents; more than 25,000 are from Ford-Werke. To be sure, there are gaps in the record, but it is, by any measure, a major collection that thoroughly documents the operation of Ford-Werke both during the war and under postwar military government supervision.

Although more documents survived than the Ford Archives Research Project team had initially anticipated, finding them was not easy. After six weeks of intensive searching in the Ford Archives in Dearborn, it became apparent that the facts of the case would be difficult to determine and a more thorough investigation would be required. Although adverse publicity and the allegations of the class-action suits created pressure on the company to find the facts quickly, the Ford Archives Research Project team decided to explore any lead that might shed light on the use of forced labor by Ford-Werke during the war. This was an important decision that had far-reaching implications for the project because it not only made the project more complicated and costly, but it also increased substantially the time it took to locate documents. In the end, more than 30 archival repositories in Germany, England, and the United States were consulted, several quite extensively,

<sup>2</sup> See, for example, the charges of Michael Burleigh in “Beetles in Brown Shirts?” *History Today*, 42 (November 1992), pp. 11-13. Michael Pinto-Duschinsky, “Selling the Past,” *Times Literary Supplement* (October 23, 1998), pp. 16-17, also offers a critical commentary of historians working for companies accused of complicity in the Holocaust; it spawned a heated series of charges and countercharges in “Letters to the Editor” of the *TLS* for November 6, 1998; November 27, 1998; December 18, 1998; and January 8, 1999.

to produce the 98,000 pages of documents that now comprise this collection.

## Public Access to the Collection

Ford decided to give the resulting collection to an independent repository and make it available to anyone who wishes to study these documents for themselves. A comprehensive database and other kinds of finding aids were created to facilitate the use of the collection. These will be described in greater detail later in this report. What is important and really notable, however, was the company's decision to provide open access to the collection — this decision was made even before the collection was assembled and without regard to its implications for the company. This may have been a smart response to critical media, but it is also a response that carries the risk of revealing information that any institution in these same circumstances might very well wish to keep confidential.

## Creating the Collection: An Overview of the Process

This section discusses the methods and the process employed by the Ford Archives Research Project to create a collection of photocopied documents about Ford Motor Company's activities during the period of the Third Reich and the Allied Occupation.

On March 10, 1998, Elizabeth Adkins, manager of Ford's Archives Services, was appointed to lead an investigation into Ford-Werke during World War II. As project manager, she was charged with developing a work plan to carry out this investigation. In addition to the company's internal records, she was instructed to examine records held by Ford's German and English subsidiaries and relevant records held by repositories in England, Germany, the United States, or anywhere else that might shed light on what actually happened during the war. It was an enormous undertaking that went well beyond an examination of Ford's own records.

During the course of the project a number of issues have been investigated, but the following are the principal lines of inquiry:

- The use of foreign and forced labor at Ford-Werke.

- Military production at Ford-Werke.
- Ford-Werke's role in the wartime economy.
- The finances of Ford-Werke during the war.
- Nazi economic policies and controls over the auto industry and Ford-Werke.
- Communications between Ford and Ford-Werke during the war.
- German industrial mobilization and preparation for the war.
- Working conditions at the plant during the war.
- Damage suffered by the plant during the war.
- Information relating to assaults, injuries, or deaths at the plant during the war.
- Postwar military government supervision of Ford-Werke.

Initially, two teams were assembled in Dearborn, one to search the Ford Archives and also the company's central records depository, and the second to examine the records that had been given to Henry Ford Museum's Research Center in 1964. Additional workers were employed to supplement the Archives staff, and as many as 45 workers were hired by the Archives during the most intensive periods of research. In addition to the materials in the Archives, Records Center,<sup>3</sup> and Henry Ford Museum, there were 300 cubic feet of unorganized records with no finding aid, called the European Corporate History Project, which had to be sorted and analyzed. These were records that had been assembled for a history of Ford's European operations — a project that was never completed. The records were sent to Dearborn from England when the European Corporate History Project office was closed. Archives staff and 10 paraprofessionals launched a crash effort to go through these European records and create an inventory. To keep track of this growing body of evidence and also make it available at the end of the project, original documents were photocopied. From

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<sup>3</sup> Staff of the Ford Archives selects the records that have permanent historical value from the inactive files and records stored at Ford's central records depository.

these inauspicious beginnings in March 1998, this enormous project to “find out what happened” was launched.

The basic methodology for the undertaking was developed during the first four months of the project. Errors inevitably occurred and had to be corrected, but the basic methodology and the accompanying database were in place by the end of April 1998; a substantially refined version was completed two months later. Three sweeps through the Archives’ holdings enabled staff to create a list of records that might be relevant. The goal was to distinguish what was known from what they needed to know, and identify where this missing information might reside. As a result of this process, 22 categories, or themes, were identified initially to help guide the search through the records in the Ford Archives and the Henry Ford Museum. The number of categories was refined and modified over time to incorporate nearly 100 subcategories under the 22 primary themes. These subject headings also became the basis for developing a database to keep track of the ongoing work; the database is the key to using the collection and will be invaluable to researchers as well. What emerged was a method for tracking work and assigning a unique number to identify each page of a document, a system that became increasingly important as the number of documents increased, as well as the number of locations where the documents existed. The methodology and database were refined over time as part of an ongoing process, engaging staff in Dearborn, Washington, D.C., England, and Germany, which, as we shall see, has contributed to the quality of the entire project.

In April 1998, after the basic research methods and database, including subject categories, were established, a third research team was assembled in Washington. The focus of this team was the vast holding of the U.S. National Archives, including captured German war records that were microfilmed after the war. Ford contracted with The Winthrop Group, a business archives consulting firm, to hire a team leader. Ford also contracted with History Associates Inc., a business history consulting firm with substantial experience in searching federal records and “applied” history projects — research aimed at tracking records about a public

issue or event, often involving litigation. The historians hired for this team included individuals fluent in German and experienced in Holocaust-era research and economic history. Perhaps most important was the hiring of historians experienced in using public records and conducting research at the National Archives.

Because the National Archives uses a different organizing and numbering system than that used by the Ford Archives, the Ford Archives Research Project staff made some modifications to the Ford database, and some changes were incorporated into the research methods employed for the project.

The need to coordinate the work of the Dearborn and Washington teams also created an opportunity to evaluate and improve research methods and the database of document descriptions. One result of this evaluation was that the teams created a quality control review system for every document description entered into the database. See Appendix B for a detailed description of this system.

One of the most vexing problems in this entire project has been the investigation of the financial operation of Ford-Werke during the war. Although two fires had destroyed many records at the Cologne plant, the Ford Archives Research Project did locate many financial records when the plant was thoroughly searched in 1999 and early in 2000. Once located, however, interpreting these financial records was a problem. First, the accounting and tax systems used in Germany were different from those used in the United States. Second, these systems were not rigorously adhered to during the war. Finally, there were numerous issues concerning depreciation schedules, monetary exchange rates, and a host of regulations governing the use of assets in Germany during the war. In short, the entire issue of wages, profits, and other financial matters is extremely complex. For this reason, Ford hired PricewaterhouseCoopers to assist in understanding the financial records of the period uncovered by the Ford Archives Research Project. The PricewaterhouseCoopers team worked closely with the other teams in interpreting evidence as it was discovered, a collaboration that has been important to the research teams’ understanding of the organization

and operations of Ford in Germany as well as in Dearborn.

In August 1998, preliminary surveys were made of records storage areas at Ford offices in Dagenham and Warley in England and in Cologne, Germany. Members of the research team also visited the Public Record Office in England and the EL-DE House in Cologne, a documentation center dedicated to Cologne's history during the war. A second visit to Cologne occurred in September. These visits produced only a small number of records, but in November a member of the Washington team returned to England and conducted searches at Ford's offices in Warley, the Public Record Office in Richmond, and the Imperial War Museum in London. Ford-Werke in Cologne was visited again in December and a number of files, including financial records, were located.

Even as all of this work was going on in Dearborn, Washington, England and Germany, it was clear that the search of German archives would be critical to the success of the entire project. After contacting a number of institutions and individuals, The Winthrop Group identified a team of historians in Germany to do archival research. In April 1998, Ford contracted with a German firm, the Lower Saxony Institute for Regional Historical Research, to assemble a team of historians and archivists to survey selected German repositories. The Institute is a new organization affiliated with the University of Hanover, and provides project-based or applied historical research for institutions for both non-profit and corporate organizations. After two meetings in Hanover, which included members of the U.S. teams, a German historian from the Lower Saxony Institute, with extensive experience in archival research and Nazi-era history, conducted an initial survey of German repositories. He wrote summaries of his findings for each repository he visited and issued a report in October 1998. As part of this report and in consultation with another historian who is a specialist in forced labor, he proposed a plan for the second phase of the project. This report provided the basis for a meeting in Hanover in early December with members of the U.S. teams to discuss the proposed plan. While these two German historians were initially the principal researchers in this part of the research project, four

additional researchers were later added to the German team.

The search of German records has been critical to the success of the project, but it has also been difficult because of the substantial challenges of working in German repositories. Generally, one must apply well in advance to receive permission to use the archives and be assigned space to do research. Photocopying is also much more difficult in Germany than in the United States; the task must be performed by repository staff and can take many months to complete. Additionally, privacy laws in Germany are quite stringent and differ from those in the United States, further complicating and slowing the pace of research. In short, although a thorough search of German archives was essential, coordinating this effort was complicated and it substantially increased the time it took to complete the research. In addition, the process of coding, translating, and preparing the worksheets and information to enter into the database was, as one can see from Appendix B, both complex and time consuming. It took nearly 18 months, from January 1999 until mid-summer 2000, to complete this phase of the work.

Another reason for the time taken to complete the German part of the project was the finding of additional materials at Ford-Werke. In my Interim Report of December 1998, I proposed making a thorough search of the Cologne plant even though it seemed unlikely that much had survived two fires and the ravages of war. In August 1999, members of the research teams from Dearborn and Washington conducted extensive interviews with plant managers and staff, which proved to be important for understanding how the plant's records were organized and where any surviving records from the war years might be located. A careful survey of the extensive records stored at the plant turned up more than 25,000 pages of documents, including financial records, personnel records, and production files, but very little information about forced labor. Perhaps even more important, the survey and subsequent searches ruled out the likelihood that any materials at Ford-Werke had been missed.



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## Section II

# MOTIVATION AND IMPLICATIONS FOR UNDERTAKING THE FORD ARCHIVES RESEARCH PROJECT

The distinguished archivist Herman Kahn once observed that “one way of defining historical research is to say that it consists in considerable measure of reading other people’s mail.”<sup>4</sup> Justice Hugo Black destroyed all his “bench notes” rather than let them be used too soon by insensitive historians. A journalist’s publication of excerpts from minutes of U.S. Cabinet meetings in the Eisenhower Administration so enraged members of Congress, who were denied access to the minutes on the grounds that such access would be a violation of “executive privilege,” that keeping minutes of Cabinet meetings was discontinued.<sup>5</sup> And more than one president has no doubt wished he had never tape-recorded conversations and meetings for the sake of posterity. What is true for individuals, even Cabinet members, is also true for that legal personage, the corporation. Lawyers who worry about liability and even more about the effect of adverse publicity on corporate profits often take a dim view of open access to archives. The recent litigation involving tobacco companies is only the most recent of many examples of the danger of archives.

All companies have records, which they must retain for legal and financial reasons and to document business transactions, protect proprietary claims, meet government requirements on a variety of personnel matters, and record decision-making activities. Relatively few companies, however, maintain archives

they are willing to make available to outsiders. Corporations sell more than products; they also sell an image or identity that directly affects public perceptions of their products and services. It is not surprising, therefore, that many corporations do not make their records or archives accessible to the public and those that do carefully control and limit access to them. Just as members of the Cabinet objected to seeing their candid comments in print, so, too, and for the same reasons, the deliberations of officers of universities and corporations are generally closed for a period of time, ranging from 25 to 75 years. At Harvard University, for example, records of the corporation — the governing body of the university — are closed for 50 years and other files, for example, student files, are not accessible without the permission of a student. The issue of restrictions is not about the right of any institution — a corporation, university, church, or an individual — to place certain restrictions on their archives; the real issue is the type of restriction and how long it should apply. On this issue, honest people often disagree.

Institutions, including universities, governments and corporations, have used various methods to protect the privacy of individuals and the free and open exchange

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<sup>4</sup> Herman Kahn, “Who Shall Have Access?” *Yale Alumni* magazine, 35, No. 6 (March 1972), pp. 6-11.

<sup>5</sup> *Ibid.*

of opinions in management forums. While some groups limit access based on the time restrictions described previously, others opt for review of a researcher's notes or photocopies of original documents. Corporations such as Ford have used all of these techniques. Until recently, the Ford Archives, for example, closed for 75 years any "records of such nature that their disclosure...might reasonably be expected to prove harmful to Ford Motor Company."<sup>6</sup> This makes it all the more noteworthy that in creating the research collection on Ford during World War II this policy was not only waived, but the company has now changed the Archives Access Policy and eliminated the old restrictions.

## Motivation

Why has Ford gone to the trouble and expense of trying to find out what happened at Ford-Werke during the war? The class-action suit against Ford claimed that Ford was in contact with Ford-Werke throughout the war and was therefore aware of what was going on. The charge, however, seems to contradict the account of this period in Nevins and Hill's authorized history of the company.<sup>7</sup> What did become clear to me was that no one at Ford now knows in detail what actually happened during the war. So, at one level, the answer to the question of why bother uncovering the truth is that senior management wanted to get to the bottom of this discrepancy and determine what actually happened. Indeed, these managers believed they had a responsibility to do so.

Moreover, it is clear that Ford is committed to its own history. The senior managers with whom I spoke seemed to be remarkably aware of Ford's role in history and committed to preserving it. In 1951, Ford established the Ford Archives, one of the first corporations in America to establish such a collection.

Thirteen years later, Ford gave much of its historical archives to Henry Ford Museum's Research Center (generally known to the public as Henry Ford Museum & Greenfield Village). Remarkably, these archives were given to the museum (which, despite its name, is independent from Ford Motor Company) with no conditions placed on their use.

Business leaders often argue that decisions made for financial or business reasons cannot be bound by social or moral strictures. The rules of the marketplace, as George Soros puts it, are essentially amoral and not the same as those we may choose to act upon in our personal lives.<sup>8</sup> Companies must behave as businesses and cannot be expected to act from humanitarian motives; to do so is to allow an advantage to one's competitors. This is hard rhetoric and an even harder reality, for as the historian Peter Hayes has observed about a German company during the war, "when political changes condition profit making in ways that tend to have immoral results, a capitalist system will prove strikingly malleable."<sup>9</sup> But if this is so, then the capitalist system might also be malleable for moral purposes. Such corporate accountability, however, requires a degree of public scrutiny and the honing of collective memory to guide the actions of corporations, governments, and individual citizens. In short, corporate accountability requires open access to archives. Ford has chosen to provide such open access.

Still, to confront the uncertainty of its past with the enormous emotional burden implicit in the term "forced labor" is highly unusual for any institution, but especially a corporation concerned about corporate image and, of course, legal liability. I asked the question many times — why did you go looking for evidence that might not reflect well on Ford? I heard all of the reasons I have already described, but, in the end, perhaps the most compelling reason is that

<sup>6</sup> "Access Policy: Ford Motor Company Archives."

<sup>7</sup> Allan Nevins and Frank E. Hill, *Ford: Decline and Rebirth, 1933-1962* (New York: Charles Scribner's Sons, 1963). See also, Mira Wilkins and Frank E. Hill, *American Business Abroad: Ford on Six Continents* (Detroit: Wayne State University Press, 1964).

<sup>8</sup> George Soros, *The Crisis of Global Capitalism: Open Society Endangered* (New York: Public Affairs, 1998), pp. xv-xvii, 43-46. Although Soros acknowledges the unsentimental rules that guide money-making, he is not an apostle of the marketplace as the ultimate arbiter of social values. In fact, his book is an impassioned appeal for collective action to preserve what he calls an "Open Society."

<sup>9</sup> Peter Hayes, *Industry and Ideology: IG Farben in the Nazi Era* (Cambridge, England: Cambridge University Press, 1987), p. 381.



management says it must stand behind the Ford name. Whatever did or did not happen more than 50 years ago during a war must not be the excuse that prevents current management from doing the right thing; the integrity and image of Ford or, for that matter, individuals or governments, must not forever be held hostage to its past. In effect, Ford seems to have decided that it is not only a business, but also a citizen of the world, a decision with implications that go far beyond Ford's immediate objective of finding the facts about what happened at Ford-Werke during the war.

### Practical and Social Implications of the Project

A December 6, 1998, editorial in the *New York Times*, although hardly friendly to Ford, did raise the level of public discourse about corporate responsibility by looking beyond the claims made against American companies in Germany during World War II. The editorial, while arguing for corporate responsibility for past actions, also recognizes that corporate responsibility is an ongoing problem and acknowledges the complexity of relationships between international corporations and dictatorial regimes. "It is unrealistic," according to the *Times*, "to expect that corporations will refrain from trade or investment with bad governments. But they should hold themselves to some guidelines. Their own practices should not be abusive, even if local laws allow it."<sup>10</sup> Fair enough. But the guidelines are not always so easy to see; the complexity of operating in different cultures, with different political, economic, and legal systems, does not always translate seamlessly into responsible corporate practice. This is not meant to excuse the abuses by American and foreign corporations described in the editorial, but it is an acknowledgement that historical reality is often complex and information at the time may be less than perfect.

To understand decisions of the past, one must examine the evidence contained in archives. It is perhaps worth remembering that one of the primary reasons corporations adopted systematic or scientific management procedures in the 19th century was to replace individual memory with organizational memory. The development of the circular letter and

later rule books and manuals were attempts to establish control through communication; these were the tools for establishing organizational authority, registering decisions and policies, and providing the grounds for corporate memory.<sup>11</sup> If, however, corporate records are forever exempt from public access, then a significant segment of society's collective memory is lost. Responsible practice depends on public scrutiny of corporate decision-making; access to corporate records is essential for this purpose. If, as many corporations insist, they have no archives, then both public scrutiny and corporate citizenship are denied.

The implications of denied access may not be immediately apparent and go far beyond an assessment of an unpleasant era many would like to forget. Corporations, especially multinational corporations, exert enormous influence in the world today. The decisions they make, even with the best of intentions, affect the lives of people everywhere. The traditional rules imposed by nation-states are no longer sufficient to regulate the actions of international organizations. In an age when in the course of a few months 40 percent of the population of Asia can suddenly be reduced to poverty by economic forces that no one truly understands, we may well wonder how humanity can avoid making unwise decisions, let alone informed or moral ones.<sup>12</sup> Now more than ever, multinational corporations, some with wealth exceeding all but a handful of nations, make decisions that affect us all. Collective memory, not laws or the legal system, sets the guidelines for responsible corporate behavior in an international setting.

We tend to portray memory as a retrieval or representation of the world and conventionalize the past to make it fit our own experience. More recently, however, some researchers have begun to look at memory as an act that we participate in together, enabling a community to preserve a version of the

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<sup>10</sup> Editorial, "Corporations and Conscience," *New York Times* (December 6, 1998), p. 16.

<sup>11</sup> Joanne Yates, *Control Through Communication: The Rise of System in American Management* (Baltimore: The Johns Hopkins University Press, 1989), pp. 10-12, 66-71.

<sup>12</sup> Soros, pp. 135-146.

past. And what we as a society choose to remember is preserved in archives, libraries, museums, and cultural artifacts. The act of remembering is captured in families and institutions, including corporations, and in the evidence contained in archives and libraries.<sup>13</sup> It is no accident that after the collapse of Eastern Europe, the first thing people did was to seize the archives; it was an attempt to reclaim their identity. Archives are essential to our collective memory; they represent who we are.

The loss of archives, that is, the loss of the evidence that records the past, is not just a loss to scholars who try to interpret history and, to the extent that the past has any bearing on the present, help us to understand ourselves. The loss of that part of corporate memory embedded in archives is the loss also of what historian David Lowenthal calls “heritage,” that is, the attempt to look at history with some purpose in mind. In the words of Lowenthal, “All of us — as individuals, as nations, as ethnic and other entities” including corporations — “adapt the past to our presumed advantage. Such acts undeniably deform history for heritage aims; and heritage is further corrupted by being popularized, commoditized, and politicized.”<sup>14</sup>

The existence of archives and the very idea of collective memory are not just academic exercises. What is saved and not saved in archives has real consequences for society. One of the defining questions of our time is how social institutions and values, including economic institutions and organizations, can adapt in a period of increased

globalization and accelerating change? How do we understand the consequences of our actions without a viable record of those institutions that are principal agents in these changes? Archives — the evidence of our collective memory — is the part of our experience we must examine as we attempt to adapt our institutions to these new conditions.

As I have indicated, corporations have good reasons to be cautious about granting unconditional access to their records, which is why so many companies do not maintain archives. They have much to lose and, in the short run, little to gain. But can any institution in a civilized society be exempt from public scrutiny? Individuals, in the United States at least, have recourse for recovering from the government information that has been limited or denied to them; no such right appears to exist in the case of individuals seeking information from corporations. Yet the influence of corporations on our lives is equal or greater than that of government itself. Ford Motor Company’s response to the current inquiry about forced labor during the war is remarkable for being the right decision at this time, and quite possibly the right decision for any time. Ford’s decision suggests that it wants to be more than just a business, the creature of competitive interests alone. It aspires also to be a citizen of the world. Ford’s decision to create a collection and make it accessible may make it untenable in the future for corporations to be excused from public scrutiny because they do not have an archive.

<sup>13</sup> David Middleton and Derek Edwards, eds., *Collective Remembering* (London: Sage Publications, 1990).

<sup>14</sup> David Lowenthal, *Possessed by the Past: The Heritage Crusade and the Spoils of History* (New York: The Free Press, 1996), p.87.

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## Section III

# ASSESSING THE SYSTEM OF ACCESS

Ford chose to make any evidence it discovered as a result of its investigation available to the public. It was decided, therefore, to turn over this archive — technically, a collection, since it comprises copies of materials drawn from a number of sources — to an independent repository. The new collection, “Ford-Werke Under the Nazi Regime,” will be housed at the Research Center at Henry Ford Museum. The collection will be accessible to anyone who wishes to examine it.

### Description of the System of Access

The value of any collection depends not only on the quality of its contents and occasionally its proximity to the researcher, but also on the quality and reliability of the finding aids and tools for using it. At one time, it was believed that archives might save money by reducing the space needed to store records; microfilm was the new technology that would provide a solution to this age-old problem. Microfilm, like other forms of miniaturization, could of course save space (assuming one could discard the originals). It soon became clear, however, that the greatest cost was not storing a collection, but describing, or cataloging, it to enable readers with varied backgrounds asking unexpected questions to search it. With this in mind, Ford spared no expense and expended great effort to create a system of access that offers multiple paths into the Ford-Werke collection.

The “system of access” prepared by the Ford Archives Research Project includes an exceptionally rich database that is searchable in a variety of ways, and a set of eight topical papers, referred to by the Ford Archives Research Project as white papers, that draw on and cite specific documents in the collection. Additionally, a chronology provides summaries of the documents in chronological order; it is a time line of the history of Ford-Werke. A report on the research findings, drawing on the white papers, provides an overview of the entire collection. Finally, an independent report by PricewaterhouseCoopers analyzes in considerable depth the financial issues concerning Ford-Werke during World War II; these findings richly inform the report on the research findings. The database, the report on the research findings, the white papers, and the chronology constitute a system of access for navigating the collection; they are an extraordinary set of tools for locating individual items and, at the same time, for viewing each item within its historical context. Each part of the system of access is described below.

### The Database

To manage and improve access to the collection of documents assembled by the Ford Archives Research Project, a database was created that will make it possible to locate specific documents in a variety of ways. The

database is the key to the collection. It is a guide, not only to what is in the collection, but also to what has been evaluated and is not included in the collection. For each item in the collection, the database includes information about the repository where it was found, as well as the item's record group, file folder and document number. The database is searchable by the title of the document, Bates number<sup>15</sup>, subject, date, repository, genre, and also by date and genre, for example, "1938 report." In addition, one can conduct a free-text search on any of the descriptions in the note field. Equally important, and perhaps uniquely so, one can see which sources the research teams examined without finding information. By showing these "failed" sources, the database will help a researcher avoid spending time on fruitless searches. On the other hand, a skeptical reader will be able to retrace the steps of the research teams to verify their accuracy or reveal their biases in selecting and rejecting materials for the collection. Files that cannot be included in the collection for reasons of privacy and German constitutional law have surrogate records with summary descriptions and the location of the originals; they can be examined in the German repository where they are housed. The database may not eliminate the need to visit German archives, but it will be the starting place for any inquiry even remotely related to the topics covered in the collection.

The database is unusual in providing a level of detail in a surrogate record that permits one to retrieve information without having to look at the original documents, many of which are in German. Also, instead of the traditional archival approach of ordering information by provenance or function, the database created by the Ford Archives Research Project is structured in a way that permits one to retrieve everything on, say, Belgium, or a coded subject or keyword in the note field. The process of translating and summarizing documents and coding them for subjects (described in Appendix B) provides a level of detail rarely found in archival inventories or guides. The level of detail added significantly to the complexity of the project and the time required to complete it, but

it also provides unparalleled access to the collection for any researcher.

## Chronology of Events

The approximately 600 pages of the chronology document the history of Ford-Werke from 1907, the date of Ford's first imports to Germany, to 1967. The chronology is based on the documents in the collection and includes overviews of activities and events drawn from the summaries prepared for the database. A few historical gaps have been filled in from secondary sources, for example, the entry under January 30, 1933, states: "The radio interrupts its regular programming shortly after noon to break the news that Adolf Hitler has been appointed Chancellor." This information was not included in any of the repositories, but it is pertinent to the Ford-Werke context. Thus, the chronology provides a time line of the activities and events concerning Ford-Werke keyed to the documents in the collection; it provides a useful outline of the events of the period and will be particularly useful to anyone interested only in events occurring at a particular time. It also provides a unifying framework for both the collection in general and the report on research findings, discussed on the next page, which are organized around topics that overlap one another chronologically.

## White Papers: Topical Guides to the Collection

A series of white papers, or topical papers, based on the documents in the collection, were prepared by members of the Ford Archives Research Project as a way of focusing on the central themes of the project. The white papers provide a historical context and framework for integrating the documents drawn from multiple sources for each topic. They also provide a way for slicing a large and complex mass of documents into manageable pieces. Eight white papers were produced over the course of the project. They are:

1. Historical Research on the Activities of Ford-Werke AG During the Second World War. This report discusses all of the repositories visited during the project and includes a list of the collections that were examined.

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<sup>15</sup> A Bates number is a control number that uniquely identifies each page of every document in the collection.

2. Ford Motor Company and Ford-Werke AG Communications During the Second World War.
3. Key People in the History of Ford-Werke, Cologne.
4. War Damage to Ford Facilities in Europe.
5. Postwar Military Government Supervision of Ford-Werke.
6. Ford-Werke in the Nazi Era, 1933-1945. This paper incorporates several themes, military production and its role during the war, Nazi economic policies and controls over the auto industry, and Ford-Werke's relations with other Ford facilities in occupied Europe.
7. Ford's Contribution to the Allied War Effort During World War II.
8. Foreign and Forced labor at Ford-Werke AG During World War II.

In addition, PricewaterhouseCoopers has prepared a report that provides in-depth coverage of finances of Ford-Werke before, during, and just after the war.

### **Report on the Research Findings**

A report on the research findings titled *Research Findings About Ford-Werke Under the Nazi Regime* provides an overview of the activities and events of the period documented by the collection. Although the report consciously tries to avoid interpretation or conclusions, it does provide historical background for the activities and events documented by the collection.

In this sense, the report, like the white papers, aims to be objective and tries to avoid any interpretation of the evidence. The goal is to let the facts speak for themselves, as it were, even when documents occasionally contradict one another. This objective has largely been achieved, although one might argue that "objectivity" is negated by the very selection of the documents to be included in the report. In any case, the report, like the collection itself, does not flinch from presenting conflicting evidence, and includes those documents that do not reflect favorably on Ford-Werke. For example, the report contains conflicting testimony about conditions of foreign and forced workers at Ford-Werke, especially regarding medical treatment. The evidence on some topics is scarce and can be quite ambiguous. To Ford's credit, the ambiguity and complexity has been preserved and is reflected both in the collection and in this report on the research findings.

The report follows the archival tradition of providing a context for understanding the documents within the collection. The report includes extensive citations to specific documents that greatly assist readers wanting to know more or examine in detail a particular topic. Reading through the entire report provides an overall sense of the content and the scope of the collection; browsing the table of contents or selected portions of the report lets the reader determine whether there are materials in the collection that are worth further investigation. The report is an important and useful contribution to the system of access to the collection.



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## Section IV

# ASSESSING THE FORD ARCHIVES RESEARCH PROJECT

Managing such a complex project was an ongoing challenge for the Ford Archives Research Project. The sheer size and scope of the project, with five research teams on two continents, dealing in two languages, different cultures, and multiple archival repositories — each with their own procedures and rules — required leadership, flexibility, and good communication. Delays prevented the project from being completed as quickly as expected or hoped. Intense press scrutiny created periodic demands on Ford Archives Research Project staff members to search for documents to support a public response by Ford to one allegation or another. Ford's legal department developed requirements for the project (discussed later in this report) that resulted in the creation of a remarkable database. However, the development of the database added significantly to the cost and time it took to complete the project. Pressure to make the collection available quickly, especially during the first year, was perhaps inevitable, but Ford did not permit the exigencies of legal issues or public relations to undermine its primary objectives of being thorough and finding the facts.

### **Managing and Staffing the Project**

Ford assembled a highly professional staff to conduct this project. Elizabeth Adkins, Ford's manager of Archives Services, who planned and was responsible for

implementing the project, has extensive experience in managing corporate archives. Because this was essentially an archival project, her experience has been crucial to the project's success. She has a small, competent staff at the Ford Archives in Dearborn, which was supplemented by a number of paraprofessionals in the early stages of the project and professional historians, who were hired over the course of the project.

To quickly put together teams in Washington and Germany, Ms. Adkins turned to The Winthrop Group and History Associates Inc. Winthrop provided the team leader, an archivist with extensive experience in corporate archives and knowledge of federal records, to manage the Washington team. History Associates provided the historians for the Washington team, including an economic historian, a historian who has worked extensively with federal records on a number of research projects, and a native German specialist in the history of Nazi Germany. This was a highly skilled group, with historical knowledge, research experience, professionalism, and independent judgment that contributed enormously to the thoroughness of the entire project.

The German team was under the direction of a Ph.D. in modern history who has worked on many research projects on Nazi-era history. Another historian, a

specialist in forced labor and compensation issues, served as an adviser on the initial survey and joined the project in January 1999. The German team also had the advice of an archivist who is a member of a long-term project to research the Nazi era. She has investigated forced labor and provided advice about the nature of archival materials on forced labor.

Although the manager of Ford's Archives Services was responsible for leading the Ford Archives Research Project, Ford also relied on outside historians and archivists to staff the project. PricewaterhouseCoopers assigned an experienced accountant to lead its effort to assist the Ford Archives Research Project in identifying and understanding the financial records of this period. To provide historical advice, Ford hired Dr. Simon Reich, a political scientist who has conducted extensive research on the automotive industry in Germany during and after World War II and is particularly knowledgeable about Ford Motor Company. He advised the Ford Archives Research Project about potential German sources and has helped to ensure that no important archival sources were overlooked. Finally, as indicated in the beginning of this report, I was hired to provide an independent assessment of the archival methods and procedures for creating the collection and how the public would be able to retrieve information from it. I have a Ph.D. in history and more than 25 years of experience administering archives and libraries at Harvard and Yale universities. I was also asked to validate the independence of the entire project. Appendix A outlines the steps I followed in monitoring the project.

## **Decisions for Success**

I cannot emphasize enough the tremendous scope and size of this project and how much work the Ford Archives Research Project has done in a very short period of time. This was an enormous undertaking. During the past 3½ years, 45 people have, at various times, been employed on the project. More than 8,000 cubic feet of materials were reviewed at the Ford Archives and records facilities, Henry Ford Museum's Research Center, and the National Archives. The guides and indexes to these materials were analyzed first to determine whether they contained relevant materials.

Staff went through the boxes of material that looked promising and photocopied any relevant content for inclusion in the collection. In all, more than 5,000 boxes of material were examined — not including the German archives, where documents are retrieved by folder, not by carton.

As project manager, Elizabeth Adkins had to balance the varied and sometimes conflicting expectations of several professions, some within the company, with the multiple needs of five research teams scattered across two continents. She responded to these pressures by creating a remarkably open environment that fostered communication and engaged a very diverse staff in an iterative process that contributed enormously to the success of the entire project.

The sheer volume of archives that the Ford Archives Research Project had to examine and the quantity of documents that had to be photocopied, described, categorized, and entered into the database required a flexible process that could evolve over time. The research team's flexibility and willingness to adapt methods to the particular circumstances of each situation have been critical to the success of the project. Fear of losing control over the process and inordinate expectations for completing the project in a few months might easily have resulted in the adoption of prescriptive procedures. If the Ford Archives Research Project had resorted to a less flexible process, the result would have been a disaster. Staff excessively devoted to following a blueprint is unlikely to take risks or follow their hunches in seeking evidence. The more open and iterative process adopted by the Ford Archives Research Project ensured that the principal focus was on collecting the evidence and not on obsessively scrutinizing the methodology and adhering to a plan.

With five teams turning up documents, it was essential to track what was being discovered and where each piece fit into the collection. To this end, weekly conference calls to compare notes and offer leads were conducted among members of the Dearborn and Washington teams with the occasional participation of the PricewaterhouseCoopers team. All of the team members with whom I spoke agreed that these exchanges were essential to the ongoing work of the



project. Because the Dearborn teams began work two months before the Washington team, they could direct the Washington team to look for certain materials. This helped the Washington team to alert staff working at the National Archives to be on the lookout for certain kinds of information; this assistance proved invaluable in locating important documents. These ongoing discussions were also important in helping to refine the database, prepare the research reports, and develop effective subject categories and quality control procedures, which are described in Appendix B.

It soon became apparent to the research teams that to locate and photocopy the most important documents from a huge quantity of records meant that they could not try to identify every last shred of evidence. Thus, the teams, especially those working on the vast holdings of the National Archives and the microfilm of German archives, adopted the 80/20 rule, the idea that 20 percent of the archives would produce 80 percent of the evidence. This is an archival approach to gathering evidence. In contrast, scholars typically wish to evaluate and interpret each document. For the archivist, the aim is to copy any relevant document, rather than read and evaluate each piece of evidence. For example, one would photocopy a statement by Robert Schmidt, Custodian of Ford-Werke, about a meeting he attended in Portugal during the war, rather than try to determine whether the statement is true or an embellishment. This practical accommodation for managing the project was qualified by the desire of Ford's legal team to be more exhaustive in the pursuit of all potential sources of evidence. Nevertheless, the 80/20 rule proved to be an essential strategy for dealing with an enormous quantity of records. If the Ford Archives Research Project has done its job well, the basic story of Ford-Werke during the war will not be appreciably altered by the discovery of new documents in the future.

The inevitable tension between the archival — just the facts — approach and the historians' desire to pursue every lead and interpret the evidence required members of both professions to adjust their principles and resist some inclinations of their respective fields. The German historians, for example, who were very disciplined in their approach to documentary evidence, were less familiar with the kind of wholesale approach

to research that aims to document a particular issue, often stemming from litigation, that has become increasingly common in the United States. The difference in the two approaches is illustrated by the fact that the new National Archives facility in College Park, Maryland (Archives II) has an entire area devoted to servicing the requests of lawyers, reporters, and others for large quantities of documents about a specific issue or event. There is simply nothing comparable to the National Archives' service in German archives, where a "qualified" scholar must write — sometimes with an introduction — to reserve a place for doing research in each archive. These differences in culture, archival practices, and notions of the law, along with more stringent requirements for confidentiality and privacy in Germany, increased the time it took to complete the project.

Perhaps the most noteworthy impact of Ford's decision to open the collection to the public has been its positive influence on the way members of the five teams approached their work. The level of involvement and commitment to the project by historians and archivists who contracted with Ford was substantially greater than one might have expected if there had not been a commitment to make the evidence available to the public. The highly emotional nature of the issues in this research was bound to raise fears about Ford's commitment to reveal evidence that might not reflect well on the company. What I discovered, however, was that the team members all demonstrated a level of commitment to, and engagement in, the research that equaled the importance of the issues under investigation. At no time during the course of my investigation has anyone at Ford or anyone involved in the Ford Archives Research Project suggested or given any indication that they would avoid evidence or certain issues because the disclosure might be embarrassing to Ford. In sum, I believe Ford's commitment to open access has been critical to the quality of work and personal involvement of project staff and, ultimately, to the quality of the collection.

### **Expanding the Scope of the Project and Delays Along the Way**

The scope of the research project expanded over the course of time, and inevitable delays were encountered.

Searching was refined over time as researchers learned more about Ford-Werke and Germany during the war. The team conducted selective oral history interviews to supplement the documentary evidence or enrich knowledge about issues for which there was little documentation. When the researchers examined the Ford-Werke plant, turning up more documents than they expected to find, they decided to copy everything pertaining to Ford during the war and not just documents that fit the primary criteria of the research project. Their rationale was that information about the operation of Ford-Werke during this period was scarce, hence any and all documents ought to be preserved. Actually, although the personnel and other administrative files discovered during the search of Ford-Werke contained little information about forced labor, they were, nevertheless, quite helpful for understanding the operation and conditions of the plant during the war.

Not only was the scope of the project and the volume of documents that were copied and processed daunting, but the Ford Archives Research Project had to consider different perspectives within Ford Motor Company and balance these against the primary fact-finding mission of the project. The company's legal team was obviously interested to know about any documents or evidence that might have a bearing on pending legal matters. The legal team therefore promoted searches in certain record groups that historians on the research teams deemed a lower priority. Ford's Public Affairs staff had to respond to media charges that were often sweeping and inaccurate. The work of collecting and photocopying documents on two continents and, even more, creating a system to provide access to it, clearly committed the archivists and historians to a slower pace than their colleagues in the company might expect. Balancing the needs of each group was an ongoing challenge; to its credit, the company and the Ford Archives Research Project never lost sight of its primary objective to find out what happened in Germany during the war.

The legal challenges to Ford did extend the time it took the Ford Archives Research Project to complete its work. However, Ford's lawyers never changed the direction of the search for documents by the Ford

Archives Research Project. Counsel made no requests to verify or deny specific facts about issues of forced labor or communications between Ford and Ford-Werke during the war. Legal concerns did have an impact on the project in setting a tone or general direction for thoroughness: Legal teams requested that researchers look for documents that historians would consider less valuable. For example, research staff examined all of the files of the U.S. Embassy in Great Britain, not just the files that mentioned Ford. Voluminous embassy files in the records of the State Department for several countries — France, Portugal, Spain, and Sweden — were searched, even though it seemed unlikely they would provide much information about Ford-Werke; and, in fact, they did not. The value of conducting such a thorough search was that there would be no surprises in the future. Consequently, the legal influence on the search was driven less by the expectation of finding useful documents and more by the intention of ensuring that the records of certain agencies and offices had been thoroughly searched, even if the search revealed nothing new. The legal goal was to “get everything” in certain quarters in contrast to the 80/20 rule; the result was to lengthen the time spent looking for documents that seemed unlikely, from an historian's perspective, to produce new information. But it also ensured nothing was missed that might later alter the story told by the collection.

Throughout the course of the project, but especially during the first 18 months, media reports put enormous pressure on Ford to respond to accounts and allegations, diverting Ford Archives Research Project staff from their work. News stories about Ford's use of forced labor, descriptions of conditions of workers during the war, reiteration of old charges about Henry Ford, especially charges of anti-Semitism and his acceptance of the Grand Cross (the highest honor the German government could bestow upon a non-German citizen during the Nazi regime), and other sensational charges had Public Affairs personnel working overtime. Often they had to check with the Archives to verify facts or look up documents to correct misinterpretations or charges that simply had no basis in fact. A few examples will illustrate the way media stories diverted the Ford Archives Research Project from its principal mission.

One story claimed that Ford-Werke plant manager Robert Schmidt, who was later named custodian by the Supreme Court of Cologne, was a member of the Nazi party. This statement was based on a letter in the files of the United States Department of Justice and was well known to project staff, but they had never been able to confirm it with other sources, such as the official membership files of the Nazi party in Cologne. Moreover, a thorough search for this evidence after the war by Allied military authorities was also unable to verify Schmidt's membership in the Nazi party. It is unlikely Schmidt could have been appointed custodian in May 1942 without the approval of the Nazi party, even if he never officially became a member. Nevertheless, the sensational nature of the accusation, especially after Schmidt was rehired by Ford after the war, required Ford Archives Research Project staff to devote time once again to a search for anything that might shed light on this claim.

On another occasion there were reports that 40 babies died at Ford-Werke during the war. Investigation revealed that this was the number of infants who died in Cologne and not the number of infant deaths at the Ford plant. Again, staff had to spend time looking for information to respond to and correct these public allegations by the press.

Another sensational story reported that Ford Motor Company was implicated in the horrors of Auschwitz. A member of the German research team was

immediately dispatched to Auschwitz, where it was learned that the only mention of Ford contained in a newly released index of documents at Auschwitz was a letter ordering a part for a truck. This fact was hardly worthy of a headline, but this kind of media attention buffeted and diverted Archives staff throughout the first 18 months or so of the project and further delayed its completion.

While research to support legal and public relations requirements contributed to the complexity and length of the project, the aspect of the project most responsible for complicating and expanding it was the creation of a database based on legal, rather than archival, principles. The system of access to the collection, described previously, is a hybrid system derived from legal practice, historical methods, and archival principles. The database follows a legal model that summarizes documents and provides access to each item in the collection. The model enables busy lawyers to quickly locate specific documents during litigation. But because historians, instead of paralegal staff wrote the notes and summaries, the descriptions tend to be briefer than the more detailed summaries a lawyer might expect from their paralegal staff. For archivists, such a system is an unimaginable luxury. Despite the cost in time and effort of developing such a database, this system of access will provide both scholars and casual users with unparalleled access, by a variety of criteria, to individual items in a large and complex collection.



## ASSESSING THE COLLECTION

The collection created by the Ford Archives Research Project represents an exhaustive effort to find the facts about the operation of Ford-Werke during the war and postwar military control, the use of forced labor at the Cologne plant, and Ford-Werke's relations with Dearborn during the war. As stated previously, it is entirely possible that additional documents eventually will be discovered in Germany or elsewhere, but it is unlikely that any new evidence will change significantly the basic story told by this collection. Scholars may interpret the evidence by the light of their own experiences, convictions, and historical understanding, but any future study must begin with the collection of Ford in Germany in World War II.

### The Collection

The evidence assembled in this collection is indispensable for a study of Ford-Werke for this period. The collection's contents include materials on the history of Ford-Werke, Nazi economic policies and their control over the automotive industry, German industrial mobilization and preparations for war, Ford and the wartime economy, and military production at Ford-Werke. Also included is significant information about foreign and forced labor in Germany during the war, Ford-Werke's relationship with other Ford facilities in occupied Europe, and communications between Ford-Werke and Ford Motor Company headquarters in

Dearborn. Finally, significant material on the end of the war and postwar military occupation, war damage to Ford-Werke, and the finances of Ford-Werke during the war and the postwar period rounds out the collection.

### Gaps in the Collection

The collection has some gaps in its content. In spite of an exhaustive search of the records in Dearborn, the U.S. National Archives, Ford-Werke, and numerous archives in Germany, there are several topics for which the lack of documentation is disappointing. One of the key issues for the Ford Archives Research Project was to find out what happened to foreign workers at Ford-Werke. The collection provides good data about the number of workers, but information about individuals is very limited. Some personnel files for German employees were found at Ford-Werke, but no file exists on forced workers, and little information on them appears to have survived the war. Much of what is known about the workers has come from oral history interviews, long after the war, and, as one might expect, there is conflicting testimony about local conditions.

The Ford Archives Research Project might have found information about forced labor, including information about Ford-Werke's application for workers, at the Cologne Labor Office. However, the

office was bombed during the war and the records were apparently destroyed. Following the path that had previously been pursued by Allied military government investigators immediately after the war, the Ford Archives Research Project tried to find some remnant of these records in Cologne, but found very little.

Research at Ford-Werke also revealed conflicting reports about the number of workers at the end of the war. Allied forces reported numbers that are higher than those cited by official Ford accounts. It is possible that the U.S. Army's numbers are only rough estimates of the number of people they found as they entered the Cologne plant. In the confusion of the last days of the war people simply found shelter where they could, which may explain why the Army's numbers were higher than the company's records suggested. Unfortunately, there appears to be no way of knowing how many of the people the Army found at Ford-Werke were actually forced workers and how many were refugees or even if the company's figures were accurate.

## Research Opportunities

With the exception of someone writing a history of Ford-Werke during the war, having the collection at Henry Ford Museum's Research Center may not save a researcher a trip to Germany.<sup>16</sup> However, the scope of the collection and the power of the database and other finding aids make it the starting place for researching a number of topics concerning Germany during the war. In addition to serving as a comprehensive resource for the study of Ford Motor Company and Ford-Werke during the war years, this collection constitutes a very significant and important historical resource for several other topics, as outlined in the following paragraphs.

Anyone interested in the question of how industry (not just Ford) operated under the Nazi regime will find a gold mine of information in this collection. Although there may have been unique aspects about Ford's relationship to the Nazi regime, principally because it was a foreign company, the collection provides substantial documentation about Nazi general

economic and industrial policies and their effect on companies. During the war, foreign companies such as Ford operated under the management of a custodian appointed by the Nazi party. This and other aspects of the company's experience of operating during the war are amply represented in this collection.

Although documentation about individual forced workers at Ford-Werke is limited and the collection says little about how workers were recruited or forced to go to Germany, the collection contains important information about the policies and actual use of forced labor in Germany during the war. Working and living conditions could vary from one plant to another and from one region of Germany to another, but the collection does provide a good picture of the role of forced labor in German industry in general, and Ford-Werke in particular, during this period.

American attitudes toward the use of forced labor is another topic on which this collection is quite illuminating. The complexity of the entire issue of forced labor and the ambiguous relationship of a foreign company, such as Ford, to the German government is evident in the collection. So, too, is the plight of German managers and workers who had to negotiate between the demands of the Nazi regime and their own survival. Based on the evidence in this collection, the experiences of both companies and individuals appear to have been more complex than their critics assume.

The history of emerging international corporations is also complex, and is well documented in this collection. The early history of globalization and all of its attendant complications is one of the more interesting strengths of the collection. Ford began producing automobiles in Germany in 1925 and in Cologne in 1931; it also had a number of plants and operations throughout Europe. At the time, Ford was becoming a global corporation and had to negotiate among different governments, legal practices, and tax codes, as well as a variety of customs and employment practices for labor and management. The collection documents the struggle of one company to find a niche in an important industry that was rapidly becoming a global enterprise, a development that was further complicated by a world at war. The evidence points to

<sup>16</sup> Although forced labor is thoroughly documented in the collection, because of German privacy laws, some documents relating to individuals can be examined only in the German repositories.

a far more complex history than many have assumed. Instead of a monolithic corporation with each foreign plant tightly controlled by Dearborn, the documents reveal an organizational structure in which the parent company had to accommodate itself to local and sometimes hostile conditions. The relationship of parent and local companies was complicated by the

parent company's relationships with its other production facilities, which were operating in neighboring and often competing countries within the same regional market. Many of the early issues of globalization and international competition faced by Ford and others of this period resonate even more today.





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## Section VI

# CONCLUSION

As I began to write this report, I became increasingly aware that Ford Motor Company's effort to document these events and make them public could have major implications for the way all corporations and institutions will have to conduct themselves in the future. Public reaction to the revelation of forced labor and the atrocities of the Nazi regime has led some observers to rush to judgment — even when the evidence is less than compelling. But in trying to find documents that might reveal what actually happened during the war, Ford has done more than just find the facts. By acknowledging its own history during a complex and ambiguous period of history, Ford has set a standard that could influence other companies to open their records to public scrutiny in the future.

Few companies in the United States have created archives that are accessible to the public. This lack of access is a serious deficiency, made worse in an increasingly global economy. Corporate history is not just a matter of academic curiosity, but a matter of public policy with implications for people in environments where national policies and laws are often less binding than the forces of global competition. Perhaps an understanding of the complex events concerning the use of forced labor at Ford-Werke during World War II will help us all — governments, corporations, and individuals — negotiate the difficult path between economic opportunity and social justice.



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## Appendix A

# MONITORING THE RESEARCH PROJECT

I carefully monitored the work of the Ford Archives Research Project from September 1998 to the end of July 2001. During that time, I had full access to all the documentation that was produced by the Ford Archives Research Project, I had numerous opportunities to meet with research team staff in Dearborn, Washington, and Germany, and I visited all three sites on two or more occasions. Moreover, I had ongoing, open communication with Elizabeth Adkins, the manager of the project and manager of the Ford Archives Services, and the manager of the Washington team, as well as several of the principal historians from History Associates who worked in the Washington office.

I visited Ford Motor Company in September 1998 and met with Ford senior management, Public Affairs personnel, and attorneys from the Office of General Counsel. I visited the archives, met with the research teams, reviewed the research reports, and examined various categories and samples of records. I visited Henry Ford Museum's Research Center, which will house and service the collection, and also spent time examining the database that was created for the collection and had an opportunity to examine at random the documents that were assembled. I met twice with the Washington team and visited the National Archives and Records Administration in College Park, Maryland, where so much of the Washington team's work was conducted. I thoroughly

reviewed the methods and procedures used by the Washington team in coordination with the Dearborn team, and reviewed research plans and progress reports of these teams, as well as those of the German team.

In November 1998, after several telephone conversations, I met with Dr. Simon Reich, a political scientist at the University of Pittsburgh, who made extensive use of the Ford Archives as part of his study of the World War II-era automobile industry in Germany. Because of his knowledge of the German automobile industry during the war and especially because he had done extensive research in the Ford Archives, I believed that Dr. Reich might be very helpful in identifying potential sources to search, especially in Germany. He agreed to become a consultant to the Ford Archives Research Project.

In December 1998, I spent a week in Germany and attended joint meetings of the German and American teams to discuss the plans and procedures for the search of the German archives. On the basis of this review and in my interim report, completed in December 1998, I recommended a thorough search of Ford-Werke. Preliminary searches of the plant did not reveal much information, and the prospect of finding additional materials did not seem particularly promising, but I thought it was important to determine this through a careful inspection of the plant. The project manager

agreed with this opinion and in August 1999, the project manager, several members of the Ford Archives Research Project, and I returned to Germany and interviewed senior managers at the plant in an effort to locate any records that might have survived the war. I witnessed the preliminary examination of several record storage areas at the Cologne plant. This set the stage for a thorough review of the Ford-Werke files by Ford Archives Research Project staff, the result of which was the uncovering of a significant number of documents, including financial documents from the war years and records about the operation of the plant.

In the course of my investigation, I read a number of books and articles pertaining to World War II, especially regarding the use of forced labor in Germany, and I also discussed the project with several historians. In addition, I visited the U.S. Department of Commerce Library in Washington and the Harvard University and Yale University libraries to examine resources that I

thought might be fruitful for the project. At Harvard, I checked guides to the Harvard University Archives and visited the Houghton Library, which did have one potentially relevant collection. At Yale University's Manuscripts and Archives department, I checked two collections that I thought might have materials — they did not — and also looked at the catalog and met with the archivist of the Fortunoff Video Archive for Holocaust Testimonies. In part, this effort aimed to discover potential sources among the personal papers of people who were involved in the war, especially the Allied Occupation, and to determine whether any of these people were in possession of useful collections. For this purpose, I also checked the Research Libraries Network (RLIN), a national database of collections held by repositories throughout the country. None of these efforts produced any new evidence, but I was able to eliminate these potential sources from further consideration.

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## Appendix B

# PROCEDURES FOR PROCESSING DOCUMENTS FROM GERMAN ARCHIVES AND PREPARING INFORMATION FOR ENTERING INTO THE PROJECT DATABASE

The following is an outline of the procedures used to process documents retrieved and copied from a number of German repositories and to track and enter information into the master file database. The procedures evolved over time as personnel changed and procedures were refined. This outline will give the reader a sense of the complexity of this entire project — especially the practical and logistical difficulty in assembling documents from multiple repositories, each with its own policies and conditions for using and photocopying documents in its collections. Working in two languages was an ongoing problem. Finally, document summary and subject coding methods changed as new information became available and new questions affected what information was highlighted or summarized. This was an iterative process that required ongoing revisions.

Following the research plan, researchers in Germany mark for copying the relevant documents. After the orders are completed, researchers check the order to be sure the right materials have been copied.

Photocopied materials are sent to the German Project Office in Hanover, where the office's research notes database is updated. One copy of each document is made. The original copy and a worksheet with the essential information about the document and where it came from are sent to the Washington office. The

second copy is retained in Hanover and is filed by record group and file number for each repository.

In Washington, the copied German documents are checked by a researcher fluent in German, to ensure the worksheet matches the copies and includes the correct record group number, file number, name of repository, title of record, etc. The German files are usually subdivided into multiple documents and additional worksheets are prepared. At the beginning of the research effort, the German worksheet was not the same as the one used in Washington (because of language differences), so information had to be reentered and the information translated into English. By the time of the meeting in Dusseldorf, Germany at the end of 1998, however, the German team included bilingual staff and they could use the same work form used in Washington. However, the German team continued to take their notes in German, which then had to be translated into English for the master file database. A key part of this process was ensuring that the translations were consistent, especially references to the document provenance information, e.g., title of record group, official name of German government offices, etc. Working at the document level was complicated by the fact that a file of several documents might all belong together, but at other times they might all be separate and distinct, as would be the case with correspondence.

A Bates number is assigned to each page of a document. This is a control number that uniquely identifies each page of the documents in the collection. The Bates number is recorded on the worksheets.

Documents and worksheets are copied in the Washington Project Office. The original copy is sent to Dearborn. A file folder is prepared for the Washington office and the documents are filed first by repository, then by Bates number.

In the Washington office, the German documents are reviewed for a second time and a summary of each document is prepared in English. There are three parts to this critical process. First, establish the date of the document. Second, describe the document type, for example, memo, letter, report, etc. and other information, for example, author/recipient of a letter. Third, prepare a summary of the content for entry into the database. Also, direct quotes and other specific information are given specific reference by citing the Bates number.

The Washington project manager reviews the worksheets and the content summary, notes, etc. The document is revised if necessary.

The Washington project manager also does the subject coding. For documents relating to financial matters, additional coding is provided. Coding for financial materials has been provided by PricewaterhouseCoopers, the consulting organization on financial records of the project.

At this point, the information is keyed into the database in Washington from the worksheets.

Information entered into the database is checked again by the Washington project manager to ensure the accuracy of the information.

Additions to the database are e-mailed to Dearborn (initially done weekly, this later became a periodic task)

to be reviewed by the project manager, Elizabeth Adkins. The reviewed materials and suggested changes are sent back to Washington. For the most part, changes involved supplying additional information for document summaries to help users who might need more explanation for some references.

Corrections/additions suggested by the project manager are made by the Washington Project Office.

Database entries are printed and filed with original copies in Dearborn and the Washington entries are merged with the Dearborn database. Until the very end of the project, two databases, with slightly different formats, are maintained, one in Dearborn and one in Washington.

Lastly, the Washington project manager and an historian from History Associates conduct a quality control review of database entries. Quality control was an ongoing process conducted after research was completed in Washington and again after research was completed in Germany. The purpose of this final review was to check for consistency in collection titles, translated names, etc., and also to cross-check the master file database with research notes to ensure that all the research was recorded.

The entire process for building the database, checking and cross checking entries was, as this outline suggests, a painstaking procedure, made more so by the detailed structure of the database. In large measure, this detailed database followed a legal model that was further complicated by the need to create the collection from multiple sources on two continents and in two languages. The resulting computer-accessible database, which will be available at Henry Ford Museum's Research Center, will provide a powerful search engine that will be enormously beneficial to scholars.

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## RESEARCH RESOURCES

More than 30 archival repositories were searched during the course of this project. Appendix H, Glossary of Repository Sources and Bibliography, lists the major archival sources.

Descriptions of the documents collected have been entered into a searchable database. The documents and the database are being donated to Henry Ford Museum & Greenfield Village, an independent, nonprofit educational institution unaffiliated with Ford Motor Company.

At Henry Ford Museum & Greenfield Village, the documents and the database will be available to the public at the Benson Ford Research Center:

Benson Ford Research Center  
Henry Ford Museum & Greenfield Village  
20900 Oakwood Boulevard  
P.O. Box 1970  
Dearborn, Michigan 48121-1970  
U.S.A.  
tel: 1.313.982.6070  
fax: 1.313.982.6244  
<http://www.hfmgv.org/research/>

Researchers planning to use primary materials are requested to make an appointment before visiting. The Research Center Office and Reading Room are open Monday through Friday, 10 a.m. to 5 p.m.

Henry Ford Museum & Greenfield Village is a member of OCLC (Online Computer Library Center) and The Library Network (TLN).

*Note: The Henry Ford Museum Reading Room will be closed from December 22 through March 1, while moving to its new location in the Benson Ford Research Center. It will reopen Monday, March 4, 2002.*

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