



THE FOREIGN SERVICE  
RECEIVED OF THE  
DEPARTMENT OF STATE UNITED STATES OF AMERICA

1944 DEC 9 AM 10 15

AMERICAN EMBASSY

No. 19,489 DIVISION OF  
BY AIR POUL COMMUNICATIONS

London, November 27, 1944

Economic Warfare (Safehaven) Series: No. 6

Subject: Transmitting Intelligence Report  
No. EW-Pa 128 by G-2 Economic  
Section, SHAEF, regarding plans of  
German industrialists for post-war  
operation.

~~SECRET~~

For Department, Treasury and Foreign Economic  
Administration. 19C

The Honorable  
The Secretary of State  
Washington, D.C.

Sir:

I have the honor to enclose Intelligence Report  
No. EW-Pa 128 by G-2 Economic Section, SHAEF, dated  
November 7, 1944, describing the plans of German  
industrialists for the post-war resurrection of Germany.  
Among the topics dealt with in this report are: patents,  
financial reserves, exportation of capital, and the  
strategic placing of technical personnel.

Respectfully yours,  
For the Ambassador:

John W. Easton  
Lt. Colonel, F.A.  
Economic Warfare Division

Enclosure:

Intelligence Report.

(Original and hectograph to Department)

JBW:jmc

DCR - ECA Unit

and  
Car  
Dat  
Dist

HECTO SENT TO DCR/C

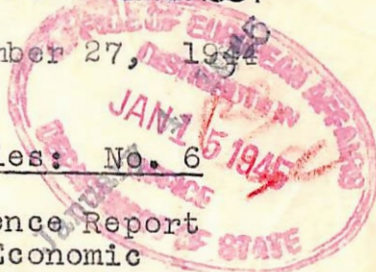
DECLASSIFIED NND 730032

29C  
2WJ  
22mas  
19ma  
5-2 EA  
2 War

1 Navy  
1342  
2088  
1990(mas)

CB  
12/14/44

AMERICAN EMBASSY



JAN 16 1945

FILED

Confidential File

800.515/11-2744

CS/MAH



~~-S-E-C-R-E-T-~~

SUPREME HEADQUARTERS  
ALLIED EXPEDITIONARY FORCE  
Office of Assistant Chief of Staff, G-2

7 November 1944

INTELLIGENCE REPORT NO. EW-Pa 128

SUBJECT: Plans of German industrialists to engage in underground activity after Germany's defeat; flow of capital to neutral countries.

SOURCE: Agent of French Deuxieme Bureau, recommended by Commandant Zindel. This agent is regarded as reliable and has worked for the French on German problems since 1916. He was in close contact with the Germans, particularly industrialists, during the occupation of France and he visited Germany as late as August, 1944.

1. A meeting of the principal German industrialists with interests in France was held on August 10, 1944, in the Hotel Rotes Haus in Strasbourg, France, and attended by the informant indicated above as the source. Among those present were the following:

Dr. Scheid, who presided, holding the rank of  
S.S. Obergruppenfuhrer and Director of the  
Hecho (Hermsdorff & Schonburg) Company  
Dr. Kaspar, representing Krupp  
Dr. Tolle, representing Rochling  
Dr. Sinderen, representing Messerschmitt  
Drs. Kopp, Vier and Beerwanger, representing Rhein-  
metall  
Captain Haberkorn and Dr. Ruhe, representing Bussing  
Drs. Ellenmayer and Kardos, representing Volkswagenwerk  
Engineers Drose, Yanchew and Koppchen, representing  
various factories in Posen, Poland (Drose,  
Yanchew and Co., Brown-Boveri, Herkuleswerke,  
Buschwerke, and Stadtwerke)  
Captain Dornbusch, head of the Industrial Inspection  
Section at Posen  
Dr. Meyer, an official of the German Naval Ministry  
in Paris  
Dr. Strossner, of the Ministry of Armament, Paris.

2. Dr. Scheid stated that all industrial material in France was to be evacuated to Germany immediately. The battle of France was lost for Germany and now the defense of the Siegfried Line was the main problem. From now on also German industry must realize that the war cannot be won and that it must take steps in preparation for a post-war commercial campaign. Each industrialist must make contacts and alliances with foreign firms, but this must be done individually and without attracting any suspicion. Moreover, the ground would have to be laid on the financial level for borrowing considerable sums from foreign countries after the war. As examples of the kind

of/



of penetration which had been most useful in the past, Dr. Scheid cited the fact that patents for stainless steel belonged to the Chemical Foundation, Inc., New York, and the Krupp Company of Germany jointly and that the U.S. Steel Corporation, Carnegie Illinois, American Steel and Wire, and National Tube, etc. were thereby under an obligation to work with the Krupp concern. He also cited the Zeiss Company, the Leica Company and the Hamburg-American Line as firms which had been especially effective in protecting German interests abroad and gave their New York addresses to the industrialists at this meeting.

3. Following this meeting a smaller one was held presided over by Dr. Bosse of the German Armaments Ministry and attended only by representatives of Hecho, Krupp and Rochling. At this second meeting it was stated that the Nazi Party had informed the industrialists that the war was practically lost but that it would continue until a guarantee of the unity of Germany could be obtained. German industrialists must, it was said, through their exports increase the strength of Germany. They must also prepare themselves to finance the Nazi Party which would be forced to go underground as Maquis (in Gebirgsverteidigungsstellen gehen). From now on the government would allocate large sums to industrialists so that each could establish a secure post-war foundation in foreign countries. Existing financial reserves in foreign countries must be placed at the disposal of the Party so that a strong German Empire can be created after the defeat. It is also immediately required that the large factories in Germany create small technical offices or research bureaus which would be absolutely independent and have no known connection with the factory. These bureaus will receive plans and drawings of new weapons as well as documents which they need to continue their research and which must not be allowed to fall into the hands of the enemy. These offices are to be established in large cities where they can be most successfully hidden as well as in little villages near sources of hydro-electric power where they can pretend to be studying the development of water resources. The existence of these is to be known only by very few people in each industry and by chiefs of the Nazi Party. Each office will have a liaison agent with the Party. As soon as the Party becomes strong enough to re-establish its control over Germany the industrialists will be paid for their effort and cooperation by concessions and orders.

4. These meetings seem to indicate that the prohibition against the export of capital which was rigorously enforced until now has been completely withdrawn and replaced by a new Nazi policy whereby industrialists with government assistance will export as much of their capital as possible. Previously exports of capital by German industrialists to neutral countries had to be accomplished rather surreptitiously and by means of special influence.

Now/



Now the Nazi party stands behind the industrialists and urges them to save themselves by getting funds outside Germany and at the same time to advance the Party's plans for its post-war operation. This freedom given to the industrialists further cements their relations with the Party by giving them a measure of protection.

5. The German industrialists are not only buying agricultural property in Germany but are placing their funds abroad, particularly in neutral countries. Two main banks through which this export of capital operates are the Basler Handelsbank and the Schweizerische Kreditanstalt of Zurich. Also there are a number of agencies in Switzerland which for a five per cent commission buy property in Switzerland, using a Swiss cloak.

6. After the defeat of Germany the Nazi Party recognizes that certain of its best known leaders will be condemned as war criminals. However, in cooperation with the industrialists it is arranging to place its less conspicuous but most important members in positions with various German factories as technical experts or members of its research and designing offices.

For the A.C. of S., G-2.

WALTER K. SCHWINN

G-2, Economic Section

Prepared by

MELVIN M. FAGEN

Distribution:

Same as EW-Pa 1.  
U.S. Political Adviser, SHAEF  
British Political Adviser, SHAEF

Copy from the U.S. National Archives  
Record Group 59: General Records of the Department of State  
1940-44 CENTRAL DECIMAL FILE  
File: 800.515/11-2744