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

May 29, 1945.

INTELLIGENCE REPORT NO. EW-HQ 9

SUBJECT: Interrogation of Albert SPEER, former Reich Minister of
Armaments and War Production.

1st Session - May 28, 1945 - 10:00 to 12:30 hrs.

1. SPEER was asked to give a general survey of the status of the German war economy at the time of his appointment to the Ministry in February 1942, and to review developments up to that date to the extent that they were known to him.

2. He began by describing the failure of his predecessors to achieve full industrial mobilization for the war. In spite of the fact that preparations for the war had begun early and were conducted methodically, the extent of GERMANY's economic mobilization up to 1942 had been much less than what had been achieved in World War I by improvised administrative bodies with much smaller staffs than those employed by the German government and Wehrmacht agencies in the present war. In 1914-1918, according to SPEER, the directing body of the German war industry, WIRBA, had a staff of 50-60 experts, in contrast to the thousands employed by each of the agencies which in this war took part and competed in the control of war production.

3. Pre-war plans and measures for economic mobilization had been almost entirely in the hands of Wehrmacht officers who in many cases were civil servants in uniform. An attempt was made in 1933-39 to enlist representatives of industry in the Wehrmacht economic organizations, but only second-rate elements were obtained. Two-thirds of the personnel working on industrial matters in the Wehrmacht were career officers. Gen. THOMAS, who was in charge of the war economy, had a staff of 1,000-1,200 in the OKW Wehrwirtschafts- und Ruestungsamt in BERLIN alone, exclusive of the personnel employed in his big regional organization. In addition, the Army Ordnance Department (Heereswaffenamt) employed 2,000-3,000 people, and similar establishments were maintained by the Luftwaffe and Kriegsmarine.

4. The economic war plans prior to 1939 had envisaged a war of short duration and mobilization plans and production schedules were based on this assumption. Even these plans, however, were not fully realized, a fact which SPEER attributes to excessive bureaucratization and lack of industrial experience on the part of the administrators, and also to lack of a co-ordinated economic leadership in the REICH. The Four Year Plan organization under GOERING, according to SPEER, did not provide such direction. It was originally set up to organize production of the raw materials which were anticipated as bottlenecks in a coming war, and was used primarily for this purpose even after it had been nominally entrusted with wider tasks of co-ordination. Allocation of raw materials was the responsibility of a further agency, the Reich Ministry of Economics, and more specifically of General HUNNEKEN. The jurisdiction of the Todt Ministry of Weapons and Ammunition in the early war period was strictly limited, being confined to Army armaments, where it was authorized to intervene in production matters and to enforce personnel changes in the Heereswaffenamt, without, however, having any clearly defined functions. Rationalization of production was one of its tasks but it was not fully developed under TODT. TODT was primarily interested in his construction jobs and spent only about one-third of his time in BERLIN and the rest touring bridge reconstruction projects in FRANCE and RUSSIA, the beginnings of the Atlantic wall defenses, etc. He was not interested in the activities of his Ministry or in expanding its powers.

5. SPEER, in 1939-41, had been engaged in directing the building program connected with the air force armament program. He had offered the services of the building organization which he commanded in his capacity as commissioner for the re-planning of BERLIN and other cities for this purpose.

On February 8, 1942, a day after TODT's death in an air accident, SPEER was summoned to HITLER who told him that he was to take over all TODT's jobs. SPEER originally was prepared to accept the leadership of the TODT Organization and TODT's other posts connected with building operations, but not the Ministry of Armaments. He felt himself not qualified for this post, and

SECRET

also did not want to inherit a conflict which had developed between GOERING and TODT and had come to a head at the time of the latter's death. This conflict was part of an interdepartmental friction which had arisen out of HITLER's increasing dissatisfaction with the low level of German war production. HITLER was insisting on a great all-round expansion of armaments output and told SPEER that he wanted him to realize his programs. HITLER's dissatisfaction dated back to the early war days, but had been accentuated by the events in RUSSIA, where the failure of the winter offensive (which had been expected to end the Russian war) and heavy material losses incurred in the subsequent German retreat had created shortages of equipment. These shortages came on top of a reduction of army equipment and supplies, production of which had been decided upon in fall of 1941, when an early end of the Eastern campaign was being confidently expected. In particular, ammunition production had been heavily cut. Luftwaffe production, on the other hand, had been given top priority and was to be greatly expanded. According to SPEER, decisions on inter-service priorities like this one were usually made by KEITEL as Chief of OKW, but they were often disregarded by GOERING, whose personal standing enabled him always to get the lion's share of resources for the Luftwaffe. The lack of true co-ordination of the competing requirements of the three services resulted in the creation of hopeless confusion in the allocation of raw material quotas owing to an inflation of high priority ratings. The Hanneken department in the Ministry of Economics, confronted with excessive high priority calls on raw materials, was issuing certificates for their acquisition irrespective of actual supplies available. In the case of iron and steel, the overdraft of Eisenscheine issued by the Ministry represented 6 to 8 months' production.

It was only after receiving HITLER's assurances that he would fully back SPEER against all competitors that the latter accepted office. A few days after his appointment, SPEER was asked to attend a meeting called by FUNK and MILCH, at which the production agencies were to meet representative of the three services to discuss possibilities of co-ordinating war production. SPEER, who was not yet feeling at home in the new surroundings, was originally reluctant to attend the meeting and asked HITLER to permit his absence. HITLER, however, insisted on SPEER's attendance, and SPEER agreed, after having first arranged with HITLER to hold a second meeting, with HITLER in the chair, in case things should go against SPEER at the first conference. The first meeting was held with inconclusive results. FUNK proposed MILCH as a co-ordinator of all war production, but no decision was reached. The chief opposition to an effective co-ordination was apparently offered by GOERING.

The second meeting, under HITLER, was then held as arranged by SPEER, and with the Führer's backing, it was finally decided to give SPEER the decisive role in war production by creating for him the post of Commissioner-General for Armaments Tasks in the Four-Year-Plan organization. GOERING had not been invited to this second meeting (due to an oversight, according to SPEER) and afterwards was more than displeased with the result, threatening to wind up the Four-Year-Plan organization altogether. As Generalbevollmächtigter fuer die Ruestungsaufgaben, SPEER had formal powers to issue orders to all agencies on the Ministerial level. His powers, however, were never specified in detail, and he claims that he rarely made use of them, as he always preferred to settle disputes through amicable discussion.

6. SPEER's first move was to transfer the responsibility for war production to the greatest possible extent to industrial experts, through the creation of the Hauptausschuesse and later the Hauptringe. SPEER's explanation of this system checks with previous information on this subject. He emphasized the recruitment of technicians rather than businessmen and concern heads for his committees, although admitting that in many cases the appointees were both technicians and businessmen simultaneously. SPEER found that the average age of industrial leaders, especially in heavy industry, was excessive. Concerns were in most cases directed by the same men as in the first world war. In an unofficial order, SPEER introduced an age limit of 50 for leadership posts in his Committees, with the proviso that exceptions would only be allowed if a Deputy aged under 40 was appointed.

The Hauptausschuesse concerned with the aircraft industry were only nominally under SPEER and actually under MILCH, an arrangement made by mutual consent to insure homogeneity of organization and to enable cooperation

between the aircraft Main Committees and the Main wings controlling production of materials and accessories required by the aircraft industry. Similarly, the Main Committees in charge of naval construction were initially only advisory bodies without control powers, as long as the authority of SPEER's Ministry extended to Army armaments only. Very soon after his appointment, SPEER received a visit from GOERING who informed him that he did not want SPEER to interfere with Luftwaffe production.

7. SPEER's next move was to arrange for the transfer of the Ruestungsamt from the OKW to his Ministry. This, he claims, was managed without much opposition from the Wehrmacht, due partly to the fact that SPEER had cultivated and was on friendly terms with THOMAS and other generals, and partly to SPEER's favored position with HITLER at the time, which apparently was sufficiently known. (HITLER, according to SPEER, had intimated to him that he had him earmarked for great things, and had hinted at his being second on the list, after GOERING, as the Führer's successor - an honor which, SPEER claims, he did not covet.) General THOMAS, in SPEER's description, was an able and intelligent man, without special qualifications for his position and too fond of abstract and comprehensive planning. He relied too much on the figures submitted to him without testing their validity, and as they were often prepared by non-experts, THOMAS' planning was often based on unrealistic assumptions. Thus, his Departments persistently overrated the raw materials requirements of armaments production, and THOMAS did not believe in the possibility of expanding substantially and simultaneously armaments production for all three Wehrmacht services. As an example, SPEER cited an estimate of copper requirements for a full-scale armaments program which exceeded total world production of copper.

With the Ruestungsamt, SPEER obtained control of its regional organization, the Ruestungsinspektionen and Kommandos. These he claimed, suffered from the same weakness as the OKW WiRu insofar as they were staffed by regular officers, but they served a useful purpose and SPEER preferred to retain them without drastic changes.

8. Shortly after taking office, SPEER organized an attack on the Ministry of Economics with the aim of eliminating HANNEMANN, whom he considered inefficient. SPEER favored, and obtained, KEHRL's promotion into the key positions of the Ministry of Economics.

9. The Zentrale Planung was created on SPEER's initiative in order to fill the gap caused by the absence of a centralized planning and co-ordinating authority. Its chief object was to be the over-all allocation of raw material quotas. It was decided to set up the ZP as a triumvirate without a chairman, consisting of SPEER, MILCH and KOEHLER. The three members were not claimants on behalf of their own or other agencies, but considered themselves as impartial arbiters of all demands presented to the ZP. To insure impartiality they would sometimes change roles and MILCH would speak on behalf of Army production, or alternatively SPEER on behalf of the Luftwaffe. The Wehrmacht as such was not represented, although General FROMM and sometimes the Navy were represented at some of the meetings. In cases of conflict, the Wehrmacht representatives could appeal to HITLER, a course which according to SPEER was never adopted. The ZP in its initial period was an effective body which held frequent meetings and was able to enforce its plans through the Ministry of Economics which carried out the distribution of materials quotas. After the Planungsamt had been set up, it increasingly took over the planning functions of ZP which subsequently developed into a court of appeal by claimant agencies who felt themselves wronged by decisions of the Planungsamt. SPEER noted at this point that the nominal predecessor of ZP, the Generalrat of the Four Year Plan, existed in name only and never was effective, SPEER's own Ruestungsrat also had no real significance. SPEER regarded it as an honorable repository for aged war production chiefs who had outlived their usefulness.

10. In tackling the task of increasing production of Army weapons as demanded by HITLER, SPEER used methods which he described as revolutionary. The Führer programs (Führerforderungen) actually emanated from HITLER personally, who according to SPEER was a good expert in many technical fields and had an exceptional memory for details. Before SPEER's appointment, HITLER usually formulated his production demands briefly to KEITTEL, as Chief OKW, who usually failed to understand what the Führer had meant, but passed

SECRET

them on uncritically to his subordinates labelled as Führerforderungen, although often in garbled form. As orders from the Supreme Commander coming through military command channels they were final and the lower echelons had no way of criticising them or obtaining elucidation. They were then translated into production programs by inept career officers and then were usually found to be unattainable. As an example, SPEER cited HITLER's demand to increase production of light field howitzers from 100 to 600 a month. The Heereswaffenamt multiplied all production factors involved in the lower rate of production by six, and decided that the demanded expansion could not be realized.

In order to break this deadlock, SPEER organized a meeting with HITLER to which he was to bring a number of expert Colonels, on condition that KEITEL, LIEB, or FROMM were not to be present so as not to silence the Colonels. Through this "encirclement" (Einkesselung) of the Führer, SPEER created the atmosphere for a critical discussion of HITLER's demands with the latter, a thing unheard of before. In a series of meetings, attended also by industrial representatives selected by SPEER, they went through the Führer's demands one by one and most of them were accepted by SPEER for execution without any serious downward revisions. He was able to do so because his industrial advisers (ROHLIND, TIX and GEILLENBERG in the first instance) assured him that German industry had big reserves as yet unmobilized owing to the inefficiency of the military bureaucracy then in control.

The Heereswaffenamt, after the creation of the Hauptausschüsse, became a secondary factor and was used as an executive agency for the Main Committees. SPEER's policy was to keep his Committees and their staffs as small as possible, and to make extensive use of the inflated BERLIN bureaucracy for administrative routine.

11. SPEER was better satisfied with the administrative system which he built up for the control of military end products and materials going into the former, than with the organization of other industries which gradually came under his control, especially chemical production, the oil industry, and others taken over from FUNK in the fall of 1943. He considered that the immediate problems were too urgent to allow drastic reorganization during the war, and preferred to rely on the existing agencies even if they were not ideal for his purposes. In the case of chemical and oil production, the dominant position of I.G. Farbenindustrie simplified the problem. KRAUCH, of I.G. Farben, was in virtual control of production in these fields, although his lines of authority were not clear. SPEER asked him repeatedly if he wanted a reorganization, but KRAUCH was satisfied that I.G. had matters well in hand, and SPEER left it at that. SPEER regarded the maximum increase of war production as his sole concern, and was not interested in political implications, although there were forces at work which did not approve of his policy of favoring the "most efficient concerns". The Nazi Party as such was not much interested in economic developments, but individuals and factions within the party viewed SPEER's organization of Hauptausschüsse and Ringe with suspicion as being "parteilos" and too non-political, and individuals working for SPEER were often denounced to and by various Gauleiters. This conflict, in a way which SPEER professes not to know in detail, led to the appointment of HAYLER and OHLENDORFF to the FUNK Ministry after the creation of the Planungsamt under KEHRL, an appointment which came as a complete surprise to KEHRL and SPEER himself. The transfer of the Production Department of the FUNK Ministry to SPEER was settled amicably between FUNK and SPEER. FUNK was a "philosopher" without personal ambitions and agreed with SPEER's argument that complete control of all industry was essential for efficient management of the war industries by SPEER. FUNK actually offered his entire Ministry to SPEER, which the latter refused, as he did not want to be saddled with problems not directly concerned with war production.

12. SPEER's control over production for the Navy was established very shortly after DOENITZ's appointment as Chef OKM. RAEDER, his predecessor, had pursued a policy of "isolationism", trying to keep the Navy self-contained in every respect, including production. DOENITZ, who was on friendly terms with SPEER from their joint work in FRANCE in 1941, did not share this view and expected advantages for naval production by placing it under SPEER, after the latter and his experts had persuaded him that they could make the materials quotas allotted to the Navy go further than they had done under OKM administration. The Hauptausschuss

Schiffbau, until then a shadow organization with only advisory powers, was promoted to a status at par with the other Main Committees, and BLOHM, the former chairman, was replaced by MERCKR.

Naval dockyards owned by OKM also passed under the Hauptausschuss, which in theory was also responsible for all repair work, although actually, owing to the complications of planning repairs, the OKM retained a share of control in repair work by being allowed to use at its own discretion a share of dockyard capacity allocated to repair work. Naval arsenals remained under OKM control.

13. SPEER criticized the Wehrmacht's methods of organizing the production and allocation of equipment items which were used by all three services. In the case of guns, apart from a few standard types contracts for which were placed jointly through the Heereswaffenamt, each service placed its own orders. For calibers which were nominally identical, it was the practise of the services to specify very slight differences in order to safeguard themselves from other services drawing on their ammunition stocks. Small arms were manufactured under Army (Heereswaffenamt) contracts, and were allocated to the three services by the OKW according to a distribution key which was rarely revised. As there was no provision for inter-service clearing of holdings, one service had often big stocks of an item of which others were critically short. Motor vehicles were also manufactured through the Heereswaffenamt and distributed by the OKW according to a rigid formula. The Navy, for example, received 5% of the production of all types, irrespective of whether they needed them or not.

14. Production for the Luftwaffe had remained under GOERING's and MILCH's control up to late February, 1944, when after the heavy Allied air attacks on aircraft plants MILCH came to SPEER and informed him that March production was expected to be only 30-40% of the February figure. Other "optimistic" estimates, according to SPEER, predicted 60%. MILCH asked SPEER to take charge of "defensive" aircraft production, i.e. day and night fighters. SPEER had always been particularly interested in this aspect of Luftwaffe equipment, as he regarded a strengthening of its defensive capabilities as indispensable for maintaining war production in general. MILCH had always been on friendly and loyal terms with SPEER, often against stiff opposition from GOERING, who accused MILCH of not guarding the interests of the Luftwaffe vis-a-vis SPEER. As a result of this meeting, the Jaegerstab was set up. SPEER was the nominal head, with MILCH as his deputy and SAUR as "Stabsleiter". The Jaegerstab was a SPEER Ministry in miniature, insofar as it comprised representatives of all Aemter, who were authorized to make immediate decisions at the Jaegerstab meetings without reference to their Amtschefs, who, however, were authorized to reverse such decisions if they found it necessary.

The measures taken by the Jaegerstab were briefly the following:

- a) Steps were taken to insure that all building facilities in the neighbourhood of damaged plants were immediately mobilized for repair work;
- b) The evacuation and dispersal program then in progress was temporarily suspended to avoid production losses due to re-location.
- c) A purge of the Luftwaffe production programs was initiated in order to reduce the number of types and sub-types then in production, which numbered about 200. Luftwaffe production policy, according to SPEER, had always been divorced from industrial experience, and the Luftwaffe Generalstab, at a meeting held every Tuesday, would decree one or more modifications which interfered with serial production.

Even after the Jaegerstab had been formed and had given a good account of itself, SPEER's control of Luftwaffe production remained incomplete. He insisted on a clarification of his position, and in June 1944 obtained formal authority over production of all Luftwaffe aircraft and ground equipment. MILCH, formally SPEER's deputy under the new arrangement, was not active in this role, and later in the year was laid up as a result of an accident in September.

After the June decree, aircraft production was organized on the general pattern of the SPEER Ministry, with a Main Committee, and a Commissioner

(Beauftragter) in the Technisches Amt. These Beauftragte, according to SPEER, were primarily concerned with assisting the Hauptausschuesse in ancillary matters of production, chiefly in obtaining supplies which came from outside the industry covered by the Hauptausschuss and therefore outside its jurisdiction, e.g. buildings, labor barracks, etc.

15. The Ruhrstab, in contrast to the Jaegerstab, was a purely regional organization and had no special powers delegated to it from the Ministry. The immediate reason for its creation was the bombing of the MOERDE and EDER dams, which was expected to create a water supply crisis in the RUHR. It was felt necessary to create an agency capable of co-ordinating the water supply of the six Gaue making up the area. Later on its authority was extended to other regional problems.

16. The reorganization of the SPEER Ministry in November 1944 was the result of several factors. The Ruestungslieferungsamt, set up originally to supervise the Rings and through them to represent the Ministry's interest in industries not directly under its control, had become redundant after these industries had passed under SPEER's management in late 1943. SPEER's usual reluctance to change horses in midstream had induced him to retain the Ruestungslieferungsamt temporarily in its old form. During 1944, however, SCHIEBER's personal position became increasingly difficult and finally untenable. In mid 1944 SCHIEBER had been denounced to BORMANN of having contacted the Swiss Minister in BERLIN with a view to negotiating his transfer to SWITZERLAND. BORMANN passed this allegation on to HITLER, who instructed KALLENBRUNNER to investigate. The interview was found to have taken place without witnesses, and the denunciation, according to SPEER, came from a girl employed in the Swiss legation. SPEER believes that the charge against SCHIEBER was unfounded. He admitted that SCHIEBER was in SWITZERLAND (and SWEDEN) on official business connected with ball bearing imports, but denied that SCHIEBER had business interests there. These allegations, however, came on top of a series of affairs in which SCHIEBER's notorious brothers had been involved and which apparently had seriously undermined his reputation. SPEER, out of a feeling of loyalty towards SCHIEBER, who had done much for the Ministry, shielded him for a long time, but after reading the indictment against one of the SCHIEBER brothers, decided that SCHIEBER was no longer an asset to his Ministry, and asked him to leave, simultaneously and as a face-saving gesture, winding up the Ruestungslieferungsamt and merging it with Technisches Amt.

LIEBEL's departure from the Zentralamt was connected with Party intrigues against him and the Ministry as a whole, which LIEBEL, who had no standing in the Party, was unable to control. In fall 1944, when the Party began panicking, SPEER and his collaborators were repeatedly accused of disloyalty, and there was talk of a need for "another July 20 in industry". Much of the intrigues came from the Gauleiter level, where apparently SAUCKEL was one of SPEER's most active opponents. In consequence of this campaign, SPEER felt the need for a closer connection with the Party through an influential person whom he could trust. For this role he selected HUPFAUER, a close collaborator of Dr. LEY in the Arbeitsfront who through his contacts with the DLF Gauboaerner had good backing on the regional level. HUPFAUER was described by SPEER as an able and intelligent man who had done very well in his Ministry before. General WIEGER's departure was solely due to his desire to go back to active service as his career prospects were impaired by too long a service with the Ministry, and SPEER did not want to hold him. As SPEER was planning an ultimate merger of the various Mittelinstantz agencies, including the Ruestungsinspektionen, the need for the Ruestungsamt was expected to lapse in any case. After its merger with the Zentralamt, SPEER had merely to retain a Wehrmacht administrative officer in his Ministry for disciplinary supervision of the Wehrmacht personnel, and General HARTMANN was appointed to this post.

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-7-

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