

To CA ✓

July 2, 1945.

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TO: General Hildring

FROM: Orvis A. Schmidt

In as much as I was immediately returning to Washington, it was decided that the attached material should be carried by me as a courier to the War Department for distribution to the United States Civilian agencies designated by General Clay in connection with material already transmitted. This material consists of information, and in some cases of untranslated records, found in the course of the investigations being conducted by the Finance Division of the U. S. Group Control Council under the direction of Colonel Bernstein. It was felt that many of these documents contained information which would merit immediate follow up action by one or several civilian agencies and for this reason this material should be transmitted immediately, even though much of it is not in a polished form.

Attachment 1 is a preliminary report on the investigation of Ford Werke, the German subsidiary of Dearborn. It also includes a letter in which Ford Werke is congratulated for subscribing RM 35,000 to the birthday fund of Adolph Hitler in April of 1939, a copy of a memorandum by Dr. Albert, a Ford Werke director, written in November 1941, explaining the advantages of American control in the German plant and suggesting the price fixing and division of markets practiced by Ford, and a copy of a letter written by the present plant manager to Lord Perry of the English Ford company in May of this year following the surrender.

Attachment 2 contains the condensed profit and loss statement of I.G. Farben for the 1942-1943 period, and a short memorandum clarifying their significance.

Attachment 3 is composed of five parts, each significant in its own right.

(a) The first is a preliminary report dealing with Farben's acquisitions in occupied countries, especially with its French subsidiaries subsequent to 1940.

(b) The second is a memorandum relating to I.G. Farben's records hidden in a monastery near Frankfurt a/M. It also sets forth information obtained from the head of the Legal Division of I.G. Farben concerning the subject of conversations held by members of the I.G. Farben being held in custody in connection with our investigation.

(c) The third deals with the cartel agreements by which Germany hoped to make concrete and permanent its new order in Europe.

(d) The fourth is a translation of a memorandum prepared in March, 1944, by Von Knierem of I.G. Farben analyzing the problems with which I.G. Farben would be confronted in case it were partitioned and works out a plan for operating as several ostensibly independent companies.

(e) This is a preliminary report on the extensive camouflage employed by German Bosch to conceal its control of American Bosch corporation. It is a narrative report which justifies the conclusion that ABC is a German subsidiary. We expect to have a final, fully documented report in the near future.

Attachment 4 is a memorandum in which is contained an excerpt from a letter written by August Lomb, and also a complete copy of the letter itself. The significance of these documents is that they throw light on the relationship of Bosch and Lomb Optical Company in the U.S. to Bosch and Lomb, Ltd., Frankfurt a.Main.

Attachment 5 is a covering memorandum concerning material found in private luggage stored in the vault in the I.G. Farben building and the letters and memoranda referred to in the first half of the memorandum. Untranslated copies of the diaries are attached as exhibits 6 - 8 inclusive.

Attachment 6 is the diary of Dr. Kurt Weiss of I.G. Farben during his travels in Brazil from June 2 to June 27, 1937.

Attachment 7 contains the Argentine diary of Dr. Kurt Weiss, from July 12 to August 5, 1937.

Attachment 8 is a copy of the diary of Dr. Kurt Weiss while in Brazil from 2 July to 12 July 1937.

Attachment 9 is a list of personalities which I.G. Farben felt important in its Argentine theater of operations. Among others it mentions Alfredo Moll.

Attachment 10 is I.G. Farben's secret list of companies, within and outside of Germany, in which it held an interest in 1938, and showing the intermediaries through whom the interest runs. It is to be noted that 701 different companies are listed.

Attachment 11 is composed of documents showing the connection between the Nazi Party and the Latin American firms of I.G.

Attachment 12 is a statement by Director Küpper of I.G. Farbenindustrie pertaining to I.G. Farben's approval of Nazi aggression against Poland, Czechoslovakia and France.

In addition to the foregoing attachments there is transmitted herewith a set of mimeographed minutes of the International Steel Cartel covering the period 1926-1931. These minutes which have never before been available to non-cartel members for inspection should prove invaluable to the Dept. of Justice in its inquiry into the activities of the German dominated cartels. An examination of these minutes throws light on the activities of the same industrialists who financed Hitler. Much of the German intrigue which led to World War II was the outgrowth of such German cartel activities. The International Steel Cartel brought together many of the European steel interests but it was the Germans who dominated. The Cartel provided for restrictions on production and a fine for excess production. While the Germans were increasing their capacity they were willing to pay this fine annually. During the first year of the Cartel - Sept. 1926-Sept. 1927 - they paid almost \$11 million in fines - a small price for being permitted to expand their own production while restricting that of their competitors. In 1926 when the steel cartel was organized, German production of pig iron was only 1/2 greater than that of France. By 1938 production of pig iron and steel by one German concern alone exceeded the combined production of all the French mills. Although Dr. Vogler, the chairman of this concern - the Vereinigte Stahlwerke - committed suicide when our troops came in, his organization which dominates the German Steel Cartel is busily pushing forward plans to resume its activities and reestablish connection abroad.

Inasmuch as these documents are of interest primarily to the Department of Justice, and in view of their bulk, it may be advisable merely to give copies to the Department of Justice and to notify other interested agencies that they are available.