IT WAS EARLY MORNING AND THE HAZE COVERING the broad Alsatian plain was lifting to reveal glistening mountainside acres of wine grapes and the string of fortresses that dominate the hillsides and vineyard villages on the road from Colmar—fortresses old when Joan of Arc was young. A Mercedes-Benz, flying Nazi swastika and SS flags from the front bumpers, was moving at high speed through columns of German infantry marching toward Colmar from where the command car had come. A mountainous region, some of World War II’s bitterest fighting was to take place there as winter approached, once American divisions had bypassed Paris and moved through Metz into the Colmar Gap.

The staff car had left Colmar at first light for Strasbourg, carrying SS Obergruppenfuehrer Scheid, who held the rank of lieutenant general in the Waffen SS, as well as the title of Dr. Scheid, director of the industrial firm of Hermadorff & Schenbourg Company. While the beauty of the rolling countryside was not lost on Dr. Scheid, his thoughts were on the meeting of important German businessmen to take place on his arrival at the Hotel Maison Rouge in Strasbourg. Reichsleiter Martin Bormann himself had ordered the conference, and although he would not physically be present he had confided to Dr. Scheid, who was to preside, “The steps to be taken as a result of this meeting will determine the postwar future of Germany.” The
Reichsleiter had added, “German industry must realize that the war cannot now be won, and must take steps to prepare for a postwar commercial campaign which will in time insure the economic resurgence of Germany.” It was August 10, 1944.

The Mercedes-Benz bearing SS Obergruppenfuehrer Scheid moved slowly now through the narrow streets of Strasbourg. Dr. Scheid noticed that this was a most agreeable city, one to return to after the war. It was the city where in 1792 the stirring Marseillaise was composed by Rouget de Lisle, ostensibly for the mayor's banquet. The street signs all in French, the names of the shops all in German, were characteristic of bilingual Alsace, a land that has been disputed throughout known history, particularly since the formation of the two nations, Germany and France. After World War I, the Treaty of Versailles restored Alsace-Lorraine to France, but after the fall of France in World War II the Germans reannexed these 5,600 square miles of territory, and life went on as usual, except for the 18,000 Alsations who had volunteered to fight for the Third Reich on the Eastern Front.

The staff car drew up before the Hotel Maison Rouge on the rue des France-Bourgeois. Dr. Scheid, briefcase in hand, entered the lobby and ascended in the elevator to the conference suite reserved for his meeting. Methodically he circled the room, greeting each of the twelve present, then took his place at the head of the conference table. Even the pads and pencils before each man had been checked; Waffen SS technicians had swept the entire room, inspecting for hidden microphones and miniature transmitters. As an additional precaution, all suits flanking the conference suite had been held unfilled, as had the floors above and below, out of bounds for the day. Lunch was to be served in the conference suite by trusted Waffen SS stewards. Those present, all thirteen of them, could be assured that the thorough precautions would safeguard them all, even the secretary who was to take the minutes, later to be typed with a copy sent by SS courier to Bormann.

A transcript of that meeting is in my possession. It is a captured German document from the files of the U.S. Treasury Department, and states who was present and what was said, as the economy of the Third Reich was projected onto a postwar profit-seeking track.

Present were Dr. Kaspar representing Krupp, Dr. Tolle representing Röchling, Dr. Sinceren representing Messerschmitt, Drs. Kopp, Vier, and Beerwanger representing Rheinmetall, Captain Haberkorn and Dr. Ruhe representing Bussing, Drs. Ellenmayer and Kardos representing Volkswagenwerk, engineers Drose, Yanchew, and Koppshem representing various factories in Posen, Poland (Drose, Yanchew, & Co., Brown-Boveri, Herkuleswerke, Buschwerke, and Stadtwerke); Dr. Meyer, an official of the German Naval Ministry in Paris; and Dr. Strossner of the Ministry of Armament, Paris.

Dr. Scheid, papers from his briefcase arranged neatly on the table before him, stated that all industrial matériel in France was to be evacuated to Germany immediately. “The battle of France is lost to Germany,” he admitted, quoting Reichsleiter Bormann as his authority, “and now the defense of the Siegfried Line (and Germany itself) is the main problem. . . . From now on, German industry must take steps in preparation for a postwar commercial campaign, with each industrial firm making new contacts and alliances with foreign firms. This must be done individually and without attracting any suspicion. However, the party and the Third Reich will stand behind every firm with permissive and financial support.” He assured those present that the frightening law of 1933 known as Treason Against the Nation, which mandated the death penalty for violation of foreign exchange regulations or concealing of foreign currency, was now null and void, on direct order of Reichsleiter Bormann.

Dr. Scheid also affirmed, “The ground must now be laid on the financial level for borrowing considerable sums from foreign countries after the war.” As an example of the kind of support that had been most useful to Germany 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 of the United States Steel Corporation, Carnegie, Illinois, American Steel & Wire, 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 Amerika Line as typical firms that had been especially effective in protecting German interests abroad. He gave New York addresses to the twelve men. Glancing at his watch, Dr. Scheid asked for comments.
from each of the twelve around the table. Then he adjourned
the morning session for lunch.

At his signal, soldier stewards brought in a real Strasbourg
lunch. On a long side table they placed plates of pâté de foie
would be held only by a very few persons in each industry and
by chiefs of the Nazi Party. Each office would have a liaison
agent representing the party and its leader, Reichsleiter Bormann. “As soon as the party becomes strong enough to reestab-
Georg von Schnitzler, member of the central committee of the I.G. Farben board of directors.

I.G. Farben had been the largest single earner of foreign exchange for Germany during the years of the Third Reich. Its operations in Germany included control of 380 companies with factories, power installations, and mines, as well as vast chemical establishments. It operated in 93 countries and the sun never set on I.G. Farben, which had a participation, both acknowledged and concealed, in over 500 firms outside Germany. They grew as the Third Reich did, and as German armies occupied each country in Europe they were followed by Farben technicians who built further factories and expanded the I.G. investment to RM (Reichsmarks) 7 billion. The Farben cartel agreements involving trade and the related use of its chemical patents also numbered over 2,000, including such major industrial concerns as Standard Oil of New Jersey (now Exxon), the Aluminum Company of America, E.I. du Pont de Nemours, Ethyl Export Corporation, Imperial Chemical Industries (Great Britain), Dow Chemical Company, Rohm & Haas, Etablissements Kuhlman (France), and the Mitsui interests of Japan.

I.G. Farben was a formidable ally for Reichsleiter Bormann in his plans for the postwar economic rebirth of Germany. In a telephone conversation with Dr. von Schnitzler, Bormann asked what would be the loss of factories in France and the other occupied countries mean to German industry in general and to I.G. in particular. Dr. von Schnitzler said he believed the technical dependence of these countries on I.G. would be so great that despite German defeat I.G., in one way or another, could regain its position of control of the European chemical business.

"They will need the constant technical help of I.G.'s scientific laboratories as they do not own appropriate installations within themselves," he further told Bormann, adding that he and other industrialists such as Hermann Röchling "do not think much of Hitler's recent declaration of a scorched-earth policy for Germany. Destruction of our factories will surely inhibit Germany's recovery in the postwar world," he affirmed.

Bormann pondered this exchange with von Schnitzler. It was then that he determined to countermand Hitler's order for the ruthless destruction of German industry. He was aware also that the Gauleiters, the regional political supervisors and area commanders of the party, who reported to him as party chief, shared the same view as expressed by Dr. von Schnitzler.

However, Bormann waited nearly four weeks until the right moment came to go against Hitler's directive. It came when Albert Speer, minister for armaments and war production, sent a teletype on September 5, 1944, to headquarters for Hitler's attention. In this message, Speer outlined the realistic reasons why industrial plants should not be destroyed; Bormann lost no time sending this on to all the Gauleiters of Germany with his own imperative: "On behalf of the Fuehrer I herewith transmit to you a communication from Reichsminister Speer. Its provisions are to be observed strictly and unconditionally."

Speer had commented, "Even Bormann had played along with me. He seemed to be more aware than Hitler of the fearful consequences of total devastation." Speer also noted, in this month of September 1944, that "Hitler's authority in the party was no longer what it had been."

Such authority had long since passed quietly to Reichsleiter Bormann, who had succeeded in outmaneuvering all the old gang: Goering, Goebbels, Himmler, the various generals, and Speer, who was told in 1944 by Hitler always to deal directly with Bormann on all matters. As Speer put it, "I had lost for good." He was embittered and envious, and his feelings were to color every utterance he made about the Reichsleiter.

Martin Bormann was now the leader in fact of Germany. Hitler, exhausted, drained of the charisma of the glory days of the thirties and the conquest years of the early forties, was going through the gestures of military leadership mechanically as his troops fell back on all fronts. Martin Bormann, forty-one at the fall of Berlin, and strong as a bull, was at all times at Hitler's side, impassive and cool. His be-all and end-all was to guide Hitler, and now to make the decisions that would lead to the eventual rebirth of his country. Hitler, his intuitions at peak level despite his crumbling physical and mental health in the last year of the Third Reich, realized this and approved of it. "Bury your treasure," he advised Bormann, "for you will need it to begin a Fourth Reich."

That is precisely what Bormann was about when he set in motion the "flight capital" scheme August 10, 1944, in Strasbourg. The treasure, the golden ring, he envisioned for the new Germany was the sophisticated distribution
of national and corporate assets to safe havens throughout the neutral nations of the rest of the world.

Martin Bormann knew in his heart that the war in Europe was over when Normandy was lost. The day Hitler's troops were defeated at the Falaise Gap was the day he ordered swing industrialists of Germany to Strasbourg to hear his plans for Germany's future.

Society's natural survivors, French version, who had served the Third Reich as an extension of German industry, would continue to do so in the period of postwar trials, just as they had survived the war, occupation, and liberation. These were many of the French elite, the well-born, the propertied, the titled, the experts, industrialists, businessmen, bureaucrats, bankers. On the other hand, the intellectuals, the writers, the propagandists for the Germans, and the deportees of the Third Republic were among those purged with a heavy hand. The number of Frenchmen who were part of the resistance during World War II was never large, about 2 percent of the adult population. With the liberation of France, old scores were settled: 124,750 persons were tried, 767 being executed for treason or contact with the enemy in time of war. Sentenced to prison terms were 38,000, who also endured "loss of national dignity"—disenfranchisement and being held public office. Even before any arrests

Reich. As an example of the cooperating industrialist, there was Marcel Boussac, the richest man in France at the time. This aging cotton textile magnate, now deceased, prospered under German occupation, like his peers. He had done well in World War I, and he did well during World War II. In the former he made his first millions, by supplying uniforms and airplane fabric to the French army. Between wars he expanded, acquiring textile factories by the dozens. When the Germans swept across France in 1940 he promptly turned to them as new customers, and began making the cloth for German army uniforms, parachute materials, and linen for fire-hose lining (a big-ticket item as British and American bombers set fire to German cities).

Other textile manufacturers, particularly those at Calais and Caudry, made the camouflage for such German defense installations at the West Wall, and mosquito netting for Rommel's Afrika Korps.

Boussac and his kind produced a trickle of fabrics for French clothing, but, on German orders, there was almost no limit to the quantity and quality of goods they turned out for the French fashion industry. German policy was to nurture the haute couture houses of Paris. It brought in foreign exchange, and it was good propaganda to have the world note luxury continuing to flourish as ever in the French capital.

In 1940, about 30 percent of the civilian population were to
collaborating *maisons de couture*. Orders were taken, paid for, filled.

This was collaboration, but few in this industry were to go on trial, any more than were the industrialists who owned the textile companies, chemical plants, and heavy industry. However, the rayon industry was more than a collaboration between French and German interests. The Gillet-Carnot organization of the French rayon interests had close prewar relationships in price controls and markets to the German Kunstseide and Zellwolle Ring, and this laid the foundation for fuller collaboration after the collapse of France. By December 1940, most of the rayon-producing facilities in France were united under a new holding company, France-Rayonne, to which the German Ring group contributed 33 percent of the capital in the form of patent rights and technical advice.

The capital of those French companies that became subsidiaries of France-Rayonne totaled over 800 million francs. Three quarters of this sum was represented by National Viscose and

"Aryanized" Jewish concerns, which meant outright appropriation. I.G. Farben assumed control of the potassium mines of Alsace. The insurance business, which had been largely underwritten by French and British companies, was transferred to German companies. The big German banks, such as Deutsche Bank, Commerzbank, and Dresdnerbank, purchased majority shares of the Alsace-Lorraine banks, the institutions that under occupation controlled the very life and economy of the people.

With the disastrous conflict-to-come looming after August 10, 1944, the realists—that is to say, Bormann, the Ruhr industrialists, and the German bankers—knew it was time for new and secretive directions, were Germany to survive and emerge from defeat to once more become a world leader.