

Preliminary Investigative Report of

FORD - WERKE Aktiengesellschaft

(formerly Ford Motor Company)

"At the beginning of this year we vowed to give our best and utmost for final victory, in unshakeable faithfulness to our Fuhrer. Today we say with pride that we succeeded if not in reaching all our goals, nevertheless in contributing to a considerable extent in providing the necessary transportation for our troops at the front, the rear services and the needs of supply and reinforcement at home and abroad... At the end of the year let us vow our Fuhrer that in the plant community of Ford we will find a group that is always willing and able to put all its efforts into their part for final victory... In his great speech on January 30th the Fuhrer has challenged us once again to unconditional efforts: 'Germans at home, work, build arms, build ammunition, more arms, and more ammunition. This will save the lives of many comrades at the front. Build and work on our means of transportation, so that everything gets up front... It depends upon our work whether the front can be supplied with its necessities. Therefore, as our comrades at the front we stand under its laws, therefore, we too are soldiers of the Fuhrer.'"

Robert H. Schmidt,
Manager of Ford-Werke, AG,
Mehrwertschaftsfuhrer,
Recipient of the Kriegsverdienst
Second Class writing for the
Ford Werkzeitung

SUMMARY OF FINDINGS:

In the middle twenties the Ford Motor Company of Dearborn established Ford Motor Company, A.G. in Berlin as a distribution agency in Germany for American-built cars. Ownership was 100 percent American. This wholly owned subsidiary expended in successive years and later undertook the assembly, and ultimately the manufacture of Ford cars and trucks.

In 1926 the Ford companies of the world divided between themselves the sales territory which they would exploit. Ford of Germany got Austria, Czechoslovakia and Hungary. In Hungary it set up a wholly owned subsidiary which it still controls. When in the later thirties Germany was hard-pressed for foreign exchange the German Ford company clamored for more sales territory and got it. Thus we had the phenomenon of Ford Germany filling in Japan and Latin America orders obtained by Ford Dearborn.

Catastrophic economic conditions of the early thirties and revived German nationalism precipitated the slogan "German buy German". The German Ford company which in 1931 completed a new manufacturing plant in Cologne, did its best to re-

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main unaffected by the slogan. Dearborn divested itself of 40 percent of the company's stock in 1923, and invited Germans to buy in. I.G. Farbenindustrie, AG, obtained 15 percent, and the remaining 25 percent went to other German buyers at prices 50 percent lower than the market price. Dearborn, with its 60 percent, retained control. German Ford now began buying German raw materials and manufactured many of its own parts. As much as possible it bought from German manufacturers and suppliers. By 1933 the German company was producing a Ford that was at least 50 percent German. Although ownership and profits remained largely American, Germans were actually buying German. To exploit the situation Ford emphasized repeatedly in its published statements accompanying the balance sheets the German interest in the company and the fact that German materials were being used.

From 1924 until 1939 Ford Cologne kept pace with German economic recovery. But what appeared to be perfectly normal business functions of the company were in reality pronounced and effective aids to the Reich's preparations for war. Berlin, for example, curtailed the supply of the Ford company's vital raw materials in the summer of 1936 in a successful effort to compel Ford to obtain its raw materials without drawing on Germany's sorely needed foreign exchange. Ford met the threat as the government hoped it would. It persuaded Ford, Dearborn to ship rubber and other materials in exchange for German-made parts, principally wheels and bearings. And the government took a 25 percent cut of the imported raw materials and turned them over to other manufacturers. This scheme was the natural outgrowth of the earlier German-American cooperation which is perhaps stated best in the company's 1935 business report and balance sheet which says in part:

"Our company has also taken considerable and active interest in that very important task of German industry, namely the development of foreign credit. Our exports increased in 1935 to approximately 1,200,000 RM and we hope to be able to increase this amount considerably in 1936. In this connection it must be remembered that owing to the special commercial relations our Company has with an enterprise spread all over the world, we are in a more different position concerning export matters than factories working exclusively in Germany. In order to help German economic interests, a number of other Ford Companies, especially the American and the English Companies, have placed orders for industrial products in Germany."

When war came the company stepped into the position of a major supplier of the Wehrmacht... whose favor it had sought since 1937 or earlier. Of 350,000, 120,000, 20 percent of the Wehrmacht's 600,000 mobile units were built by Ford, including approximately 1,000 half-trucks. These are the figures of the plant's wartime manager, Robert Schmidt.

In 1938, the German Ford company made a spot purchase of 1,000 American Ford trucks. Shortly after delivery the trucks rolled into Czechoslovakia carrying German soldiers.

In 1939, Germany needed munitions. It asked Ford to make them but the company felt disinclined. It felt that Dearborn would be better able to excuse a subsidiary that manufactured war transport than one that made munitions. And the German Ford Company had the answer. It did through a cloak what it was reluctant to do in its own name. The cloak was Arendt and Co., nominally owned by an expert machinist named Arendt, a Ford man of more than 20 years standing, and a Berlin banking house. Schmidt himself, the manager of the Ford Cologne plant, put up 76 percent of the company's capital, and Ford held an option to buy up the plant at any time. The whole scheme was transparent. Ford supplied all the machinery, the original office and plant workers. Arendt confessed that he had never been in on the top level discussions of the business that stood in his name. Schmidt accepted a salary and expense account of 2,000 RM monthly for managerial assistance and technical advice.

German war victories resulted in greater profit to Ford. Its earnings in 1942, the highwater mark of the German war tide, were double its 1938 earnings. But company profits were not all — foreign exchange for the Reich was part of the achievement. Exports, which prior to the war had been subsidized, were still rigidly controlled. Continental Europe was isolated from the rest of the world and consequently German exporters sold at prices far in excess of prices charged for the same products in Germany. Ford sold abroad at double the domestic prices, and the German government took all but 10 to 20 percent of the increase in the form of an export assessment.

Robert Schmidt, commissar of the Cologne plant, gained stature with the expanding German borders. He became Kommissar of Ford in Antwerp and Amsterdam, and for six months was Kommissar of the French Ford plant. His activities included taking ma-

chinery out of the Ford company in France and putting it where in his opinion it would be more productive in serving the needs of German production. He also recapitalized the Belgian Ford company in 1944 and brought back to Germany bearer shares in the Belgian concern amounting to 4,800,000 RM. These shares were seized by us and are now held by US Group CC finance.

German Ford, despite American and British interests, was a genuine German concern. It produced trucks for the Reich. It obtained strategic raw materials for the Reich before the war, and it produced foreign exchange for it both before and during the war. It employed "foreign workers" who lived behind barbed wire, and its trade paper spoke constantly of the "genius of the Fuhrer". Although the American and British interest in the plant made the German management anxious to draw the blinds on its part in the war effort, those very interests made it a more useful asset to the Reich. Because German Ford was a subsidiary of Dearborn it obtained strategic raw materials from the U.S. from 1936 until 1939. Furthermore, the chain of Ford subsidiaries in the overrun countries became grist for the Nazi mills. It was a simple matter to place them directly under the control of Cologne.

What plans the Reich had for the future of the Ford Company in America we may never know. But we do know that Schmidt and one of the directors of the German company engaged in a heated argument as to which of them should become Kommissar of Ford of Great Britain.

Schmidt, the plant's sole wartime authority, is now under arrest pending the completion of the documented report which will follow this initial statement.

Edwin F. Ekins
Edwin F. Ekins
Neil D. Naiden
Neil D. Naiden

21 June 1945.

Berlin-Charlottenburg 2
Hardenbergstrasse 8

1 April 1939

V/Bth

REICHSVERBAND DER AUTOMOBILINDUSTRIE

STRICTLY CONFIDENTIAL

To the Board
of Ford-Werke A.G.
Eöln-Niehl/Rhein

For the gift of One Million Marks to be
offered our Führer on the occasion of his 50th birthday
we are gratified that you have placed the amount of

RM 35,000 (thirty-five thousand)

at our disposal. We request that you transfer the sum to
the special account A.R. 50 ("Dankspendenstiftung" - Thanks
offering) at the Deutsche Bank, Depositenkasse A, Berlin-
Charlottenburg, Joachimsthaler Str. 4.

At the same time we shall appreciate your
using enclosed envelope for notifying us of the completed
transfer.

The entry of your firm in the Gift Document
will take place.

The gift is freed of all income and other
taxes, including gift tax.

Heil Hitler!

Reichsverband der Automobilindustrie
(Reich Association of the Automotive Industry)

by order,

S. Allmerz

Marginal Notes: Pens: Paged 4/5

Pencil: Answered 4.5.39. RF

Translation by Pfc George Lobbenberg

Dr. H. Schmidt, President of
the Board of Ford-Werke A.G.
Berlin, 21 Nov 1941

Initialed: HFA
(Dr. H. P. Albert)

Memo concerning Ford-Werke A.G., as to whether a complete
Germanization would be necessary or advisable.

In the past seven years Ford-Werke A.G. have been transformed
from a German company to an increasing extent. Not only are all
vehicles and their parts produced in Germany, by German workers
using German materials, under German direction; above that an
export into the European and overseas sales territories of the USA
and Great Britain has been made possible, amounting to many millions
in the last year or more.
In connection with this all needed foreign raw materials were
obtained through the American company (rubber, non-ferrous metals).
Moreover the production needs of the German plant and above that,
a part for the whole industry.

Already during the peace the American influence had been more
or less converted into a supporting position (Hilfsstellung) for the
German plant. At the outbreak of the war Ford-Werke placed them-
selves immediately at the disposal of the armed forces for armament
purposes.

During the capital increase made in the beginning of 1941 the
question of a Germanization of the capital had been discussed with
the authorities concerned (F.R.G., M.R.G.; Head of Motor Vehicle
Industry, Reich Ministry of Economics), which led to the reduction
of the American majority, a majority which in agreement
with the authorities remained at that percentage.

Among the reasons speaking against a complete Germanization of
the capital the first one is the excellent sales organization which,
thanks to its connection with the American company, is at the disposal
of the German Ford-Werke. According to their productivity the
German company can export to all countries of the world, and in this
they are protected and supported in the matter of pricing by the
American company. In the countries this has led to make the German
export of German Ford-Werke possible, even though the rest of the
German industry was unable to find a solid footing. This limits, or

4.) As long as Ford-Werke A.G. remains an American company, it will be possible to bring the remaining European Ford companies under German influence, thereby that of Ford-Werke A.G., and thus to execute the Greater European policies in this field, too. As soon as the American majority is eliminated each Ford company in every country will fight for its individual existence. The just now successfully accomplished joining of the potentiality of the non-German European Companies to the potentiality of Ford-Werke A.G., and with this to the general war-potentiality of Germany, would thus collapse more or less by itself. Amsterdam, Antwerp, Paris, Budapest, Bukarest, Copenhagen etc. are concerned.

5.) A majority, even if it is only a small one, of the American is essential for the actual free-hand control of the market American models as well as for the insight into American production and work methods. Since Americans are without a doubt particularly progressive in this field, the maintenance of this connection is in the German interest. Through license fees or contractual stipulations this cannot be accomplished. With the abolition of the American majority this advantage, as well as the importance of the company for the obtaining of raw materials and exports would be lost. The plant would practically only be worth its own machine capacity.

Berlin, 25 November 1945.

Translated by Prof. George Lobbenberg.

HEADQUARTERS
FINANCIAL DIVISION
US G. O. C.
AFRO 742

23 June 1945

Memorandum to Mr. So

SUBJECT: Communication of personal mail, between British business men and the affiliates

1. In the course of our investigations of the Ford Werke A.G., we have discovered:

a. The representatives of Ford Motors in England have visited the Ford plant in Cologne, presumably with the object of reporting back to Great Britain and of establishing contact.

b. The representative of Ford Werke A.G. wrote a detailed report to Lord Perry of Ford Motors and sent it to him via one of the British representatives. This letter, which we have a copy of, contains certain information which the best available evidence indicates is false. He accuses American troops of stealing large sums of money and a site in Ford Werke. The evidence that we gathered on our investigation indicates that Schmidt or some other Ford employee may well have taken it.

c. The letter mentioned in paragraph two is in part: "So far no contact has been made with anyone from U.S. or France who had the visit of an English Colonel, the name of whom unfortunately was not disclosed, who came on behalf of Mr. Comandante in turn to the letter from Henry Ford II to look after what had happened at the Cologne plant. We have the visit from Mr. F. J. Cort who runs the factory in Poissy and who had been sent by Ford of Detroit to the American army. However, he came over here only to pick up three machines which were needed in the zone, two of which were Cologne, one Amsterdam property."

2. These facts are obviously distorted. Is it possible that SHAM or U.S. Group C.O. to make communications of this type to the press? That companies subject to investigation should be given an unsupervised freedom of communication with affiliates in other countries is time saving and incredible.

3. No subject of following questions can be taken up. Who authorized Ford representatives to make their journey? What were their instructions? Why was this allowed?

4. A photograph of the letter to Lord Perry is attached.


JOHN P. RAINS

1687-400

Lord Perry of Beeston, Harvard
 Epsom, Surrey, England

26th May, 1945
 HHS KB

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Exports up to August 1939 were run to schedule with trucks, Bifel and Taurus cars. At the end of August 1939 we had produced and delivered approximately 70 percent. of our year's schedule. At the outbreak of war there was considerable confusion as to what to make and how many to make, and regular production did not make headway until November.

For 1940 right through to 1942 production schedule called for 4,000 trucks per quarter, roughly 1,300 per month. No passenger cars.

The occupation of Denmark and Norway caused some anxiety as to Ford because some well known General Motors dealer of Berlin was appointed custodian for all vehicles available or to become available in Denmark. However, this was straightened out so this would not apply to Ford, Copenhagen.

After the occupation of Belgium, later of Holland and still later of France, the writer was appointed custodian for all Ford interests on the occupied European Continent, with the definite order to increase production of Ford trucks. In consequence a scheme was developed to combine the activities of the Ford plants. This scheme called for France to produce complete trucks, further to deliver parts both to Belgium and Holland; Belgium to buy and produce as many parts as possible. Machines to be picked up in France, Belgium and Germany. Amsterdam to produce also some parts. The idea to produce parts was caused by the fact that mere assembly plants would have either no possibility to survive or turned over to other for production of more ammunition or the like. Monthly program: Paris 500 trucks, Antwerp/Amsterdam 200 each.

For both Antwerp and Amsterdam parts to be manufactured were decided upon the ground that such parts were not yet manufactured by Ford (before the war) in either Germany or France. For instance: steering gears, hub and brake drums, universal joints, brake cylinders and pistons, etc. For Amsterdam bearing liners, valves and water pumps.

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Lat. Perry of Stock Market
Birmingham, Essex, England.

20th May, 1945
KMS 10

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The above scheme turned out as expected, and actually France supplied most of the parts to be assembled at Antwerp and Amsterdam into complete trucks, and in turn received some of the parts manufactured in the respective plants. To a smaller extent Cologne also supplied parts to be assembled into trucks and in return received goods manufactured both in Antwerp and Amsterdam. Quite often Cologne had to substitute for parts from France because Paris could not deliver. Besides the above mentioned production parts, Antwerp also made spare parts to be sold both direct to the German Army, as well as through the intermediary of Cologne.

At the end of 1943 a foundry was started near Liège and also a forge. The foundry actually delivered brake drums and other parts both to Antwerp and Cologne, while the latter was not coming into function to a great extent.

Custodianship of the writer ceased, so far as France was concerned on Dec 31st, 1940. As regards Antwerp and Amsterdam the German supervision ceased with the advent of Allied Troops.

After the occupation of Greece, one of our employees, Mr. Stock, former chief clerk at Istanbul, was appointed custodian for the Greek Ford Plant. The situation in Greece was especially complicated because the Greek Company was not permitted to use their premises, so, in order to keep the staff alive a repair business was started and maintained chiefly to secure food for the employees, get payment for the occupied premises. Turnover was on a small scale although high if considered in Greek currency.

Exports of vehicles and parts during the early stage of the war were directed mainly to countries occupied by or allies of Germany. But the remaining countries with the exception of Portugal and Spain received also spare parts and also vehicles on a quota basis. This quota was set up by the German Government and varied according to the standing of general trade arrangements.

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Lord Perry of Stock Maryland
Exeter, Exeter, England.

28th May, 1945
EHS MD

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A complicated situation arose because in many countries cars and trucks were run for which Cologne never had spares, because the respective types were not manufactured nor sold in Germany. So we tried with some success to start on a pool in which every country wanting spares of some kind was to manufacture spares of another kind and then trade them on an exchange basis. The difficulties and currency exchange were preventing a full success. So the burden of supplying such parts fell back on Germany and in turn on Belgium. On the whole it can be said that in all countries either occupied by Germany or allied with Germany as well as others and to efforts of everybody combined, the servicing of Ford cars was on a considerable higher standard than that of competitive makes.

Spain and Portugal were visited with a view of including them in this system of exchanging goods towards the benefit of giving Ford service, but without success.

In the fall of 1943 at Amsterdam the situation was very serious because of a decision of the German Military Forces to evacuate all machinery from Holland. The writer was successful in obtaining a decision that such machinery would not be dispersed among German industrial enterprises interested in such machines, but to have them transported into Ford premises and kept there either for direct use or for later decisions. Consequently, all the Amsterdam machinery is in working condition and actually set up to produce. Amsterdam machines which cannot be used for production are properly stored. France has supplied machinery both to Antwerp and Amsterdam, as well as to Cologne.

We are attaching a list of all machines held in Germany and which are the property of either France, Belgium or Holland. Some of the machinery has suffered from bombing attacks because the buildings in which they were stored were destroyed, and the machines thus exposed to the weather. We shall clean and repair them in due course.

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Lord Perry of Stock Harvard
Ragnum, Essex, England.

23th May, 1945
HMS MD

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Returning to the situation in Germany, and to Ford business in particular, the year 1940 passed with the production running about to schedule. Many of our employees were called to the colours and had to be replaced by whatever was available; efficiency as to Ford standards dropped considerably. The same applies to 1941. Some 200 French prisoners of war were employed most of whom were picked men for tool and machine shop.

A member of our Board, Professor Dr Bosch, died, and the new chairman of the board of IG Farbenindustrie became a Board member instead. Dr Schmidt, Mayor of Cologne, also died and Mr Hünemeyer, vice-president of the Chamber of Commerce at Cologne became his successor.

In 1942 the management was reorganised. Messrs Streit in charge of all technical affairs and Löckmann in charge of purchase and stocks became members of the management. The writer became chairman. In the same year in June the writer was appointed custodian for alien property and consequently took over all functions of the board of directors and the General Meeting. However, the German members of the board of directors Dr H F Albert, Professor Krauch, Mr Hünemeyer, were elected into an advisory board of directors without decisive power, but to be consulted on affairs of major importance. This board, however, has been treated in the same way as if the former board were still in existence, i.e. all important affairs were discussed before a decision was made and especially Dr Albert took a constant interest in all company affairs, coming to Cologne as often as possible.

In 1942 800 Russian civilians were employed.

With the commencement of 1943 a considerable change took place regarding all industries to make ammunition and other material important for the continuation of war. In consequence, the writer was asked again to take over the custodianship in France in order to speed up production, France to produce enough trucks and material to enable the Ford companies of France, Belgium and Holland to turn out 2 000 trucks per month. The same as the schedule called for Cologne. Thus Ford in Europe would have totalled 4 000. Custodianship was turned down by the writer, but Cologne was asked to give all possible support to the French Ford Company in order to enable them to turn out the quantity desired. This was done and a

Lord Perry of Stock Harvard
Dagenham, Essex, England.

28th May, 1945
RHS MD

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considerable part of our staff spent six months and more in France for that purpose. Some success was achieved, but the number of trucks desired was never reached, and the best result was between 700 and 900 units a month instead of 2 000.

With the commencement of 1943 a half-track vehicle came into production using our standard truck but applying an auxiliary frame with rollers over which the track chain was running. Approximately 10 000 units were built until June 1944 when this model was abandoned. Most of these half track vehicles were assembled at Amsterdam from material shipped from Cologne.

Apart from a major air raid in 1942 we had plenty of raids in 1943 none of which affected the works directly. Destructions in Cologne caused delay in the resumption of work and consequently in reaching the production schedule. All told it can be said, however, that lack of material caused more reduction in production than the bombing raids.

In 1943 400 Italian workmen were employed.

1944 called for more trucks than 1943, and trucks became a more important factor in the continuation of war. Trucks ranked higher up in priority than ever before. Consequently, it was asked that the production schedule (Cologne 2 000 units per month) be fulfilled under all circumstances. Up to and including the third quarter of 1944 our production ran higher than formerly, but was handicapped by the fact that in the first place France ceased to supply to both Antwerp and Amsterdam, and further that Antwerp could not supply anymore to Cologne, and the same happened to Amsterdam. September and October 1944 became the worst months of bombing raids and our production came to a complete standstill from October 1st through November 16th. From then onward on a reduced schedule compared with the monthly average of 1944 production was kept up until the occupation of Cologne. This reduced schedule was approximately 10% of the monthly average of July-September 1944, (1700 trucks plus 3500 reconditioned motors, plus 2000 new motors.)

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Ed Perry of Stock Harvard
Loughborough, Essex, England.

28th May, 1945
RHS MD

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In August 1944 we received an order to evacuate all machines from Cologne into six different places on the other side of the river, i.e. the Eastside of the Rhine. For a number of reasons, however, no program was made until Nov 16th, when, threatened by drastic measures on the part of the German Government, and until the last day before the occupation we evacuated about 80% of our machinery. This machinery was set up in six various localities and with the exception of one place is ready to operate. Two places are operating at present.

The occupation of Cologne took place on March 6th, and the plant was occupied by combat units. Our civilian forces were confined to anti-airraid shelters for three weeks. A few hours before the occupation and caused by American shelling our emergency offices in which we had worked ever since October, burned down entirely and with them many papers, prints, invoices, etc.

Being situated along the Rhine, for the first three weeks the plant was under occasional German shell fire. We were allowed occasional visits only but could secure some spare parts and wood burner trucks. To employ our forces we made an arrangement with the Military Government to set up a small repair shop, to repair trucks and passenger cars on behalf of Military Government. All endeavours to prevent further destruction of plant and material were in vain until the Ruhr pocket gave up. For the last three weeks the German shell fire into the plant became very intense and several hundred shells hit the roof of our premises so that practically no glass was intact. The roof was holed in hundred of places. The structure, however, was not damaged to any extent.

After we had surveyed the whole situation we found that many trucks, approximately 60, and passenger cars, motor cycles, bicycles had been taken away by the combat units, a large variety of material and spare parts taken away or destroyed. We have no ways and means to check the proper amount of this. All safes were broken open and 1.4 million Reichsmarks reserved there to pay employees also disappeared.

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Lord Perry of Stock Harvard
Dagenham, Essex, England.

28th May, 1945
RES MD

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The writer finally succeeded in submitting an offer to the Military Government to make 500 trucks from material available or to become available within three months. In consequence 15th US Army occupying our territory got interested and asked for help from Dagenham and in turn Mess Thacker, Morlock and McCarthy came over. Of course we do not want to restrict the manufacturing program to 500 total, but want to continue on a basis of 250-500 trucks per month which in our estimation seems possible. Mr Thacker will be in a position to detail the efforts made so far and to be made.

Our finances were quite good even after the big bombing raid in September and October of last year, and the consequent downfall of production. Where we stand to-day we are not quite sure. Indications are that the financial position is still good although much material must be considered lost.

Before the occupation we estimated our war damage towards 6 million Reichsmarks. The damage to the plant by American and especially by German shelling is estimated at approximately 1 million Reichsmarks. Besides this, material, motors and trucks have disappeared and for these neither requisition nor receipt has been received, and consequently the above mentioned amount may be doubled. A considerable period will pass until we have a more accurate picture.

In order to cover the costs of decentralisation we had obtained an advance from the German Government which will cover the decentralisation as well as re-centralisation costs. The amount we still have to receive from the Government for trucks and parts is fairly small since we had cashed every possible invoice before the occupation.

The rates of pay, both for pay- and salary roll have not changed during the war, only in the cases of promotion or demotion.

So far no contact has been made neither from USA or France. We had the visit of an English Colonel, the name of whom unfortunately was not disclosed, who came on behalf of Mr Dollfus who in turn had a letter from Henry Ford II to look after what had happened to the Cologne Plant. We had the visit from Mr V J. Cort who runs an errand in Poissy and who has been

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And Perry of Stock Harvard
Bagenham, Essex, England.

28th May, 1945
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lent by Ford of Detroit to the American Government. However, he came over here only to pick up three machines which were badly needed in France two of which were Cologne, one Amsterdam property. Contact by cable and letter was made with Edsel Ford and Chas Sorenson until the outbreak of war with the USA prevented further negotiations.

There are a few items which may be of interest to you. As mentioned on page 3 a forge and a foundry were started in Liège. Antwerp who were to supervise these two enterprises were too short of capital, and the necessary money was advanced by Cologne. Altogether approximately 80 to 90 million Belgian Francs were invested. Part of this money, namely 60 million Francs are to be considered as a loan. For reasons which may be explained at a later date it was considered advisable to turn this loan into shares and consequently an emission of shares amounting to 60 million Francs was carried through, increasing the total capital of the Belgian Company to 150 million Francs. From the Belgian point of view this could not be done within the statutes of the Company. Consequently this issue of shares can be legalised only if a meeting of the board and a general meeting would verify the transaction. This is now in your hands. Otherwise the transaction will remain a loan from Cologne to Antwerp. The whole business regarding the forge and the foundry can hardly be explained by letter, but I sincerely hope that there will be a chance at a later date to discuss this matter thoroughly.

On Mr. Thacker's request I wish to give a brief outline on trucks and passenger cars equipped with so-called generators: there were and are in existence several types, both for trucks and passenger cars, but it can be said that only a few had success. For instance, for trucks, the Lambert type based on wood is the best known type. For passenger cars both the wood burner as well as the charcoal has proved sufficiently efficient. Generally it can be said that vehicles with generator device must be judged by the fact that you either have to use such a device or walk.

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Lord Perry of Stock Harvard
Bagenham, Essex, England.

28th May, 1945
RHS MD

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The equipment for trucks caused an additional weight of some 400 to 500 kilos, for passenger cars between 75 and 150 kilos, this depends on whether one uses only charcoal or wood burner.

Unless the compression ratio is and can be raised considerably, the loss in power is between 50 and 60 percent., for instance: the Mercury V with 35 BHP develops only 40 to 45 HP with the gas producer. The HP motor, which normally has 50 BHP, develops 40 to 45 HP with the wood burner provided the compression ratio has been increased from 4.2 to 4.7. This, however, caused a complete re-design of all essential parts of the motor. The wearing resistance of the motor is lessened by at least one third. The efficiency of the motor depends largely upon the fuel.

In spite of all these difficulties practically all vehicles for civilian transport have been running on generator device for the last year. The Army had planned that from October 1st, 1944, we were to deliver nothing but wood burners. This was held up due to lack of material.

I tried to give you as much of a picture as possible on conditions as they were existing during the war without going too much into details. It is my belief that probably many of the items written about call for more information, but I should appreciate your reaction and will gladly furnish any further information which you may wish to have. While the outlook at the present seems rather gloomy, I sincerely hope that the situation will become better in the future and that some definite decision is made regarding the future of Ford Cologne. Any information towards this end should be very much appreciated.

Yours very sincerely,

sgd: H H Schmidt

Attached List of all machines
held in Germany and which are
property of either France, or Holland;
Machines in Toolroom;
Statistics;
Executives in Cologne Plant.

Enclosure - Letter to Lord Perry of Stook Harvard, Casenham, Essex 20-5-45

BOARD OF DIRECTORS

Pro vera -

+	Dr A F Albert	Chairman
+	Prof Dr Bosch	Vice Chairman
+	Esael Ford	
	Charles Solensen	
	Lord Perry	
+	Dr Schmidt	
+	Dr Schmidt	

Prof Krauch succeeded Prof. Losch
Hans Kuhnemeyer succeeded Dr Schmidt

Enclosure - Letter to Lord Perry of Stock Harvard, Dagenham, Essex

28th May, 1945

STATISTICS

<u>Year</u>	<u>Production</u>	<u>Employees</u>	<u>Workmen</u>	<u>Total Turnover</u>
1939	33 928	640	3 207	104 130.203.328.--
1940	16 537	746	3 123	119 834.824.--
1941	14 330	792	2 684	127 917.150.--
1942	14 046	826	3 062	132 774.560.--
1943	17 202	915	4 796	161 425.534.--
1944	12 915	800 (average)	5 000 (average)	152 274.000.--

H. H. Schmidt
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