

Ford and the Führer
New Documents Reveal the Close Ties
Between Dearborn and the Nazis

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We have sworn to you once,
But now we make our allegiance permanent.
Like currents in a torrent lost,
We all flow into you.

Even when we cannot understand you,
We will go with you.
One day we may comprehend,
How you can see our future.
Hearts like bronze shields,
We have placed around you,
And it seems to us, that only
You can reveal God's world to us.

This poem ran in an in-house magazine published by Ford Motor Company's German subsidiary in April of 1940. Titled "Führer," the poem appeared at a time when Ford maintained complete control of the German company and two of its top executives sat on the subsidiary's board. It was also a time when the object of Ford's affection was in the process of overrunning Western Europe after already having swallowed up Austria, Czechoslovakia and Poland in the East.

I found "Führer" among thousands of pages of documents compiled by the Washington law firm of Cohen, Milstein, Hausfeld & Toll, which sought damages from Ford on behalf of a Russian woman who toiled as a slave laborer at its German plant. This past September, a judge in New Jersey, Joseph Greenaway Jr., threw the case out on the grounds that the statute of limitations had expired. Greenaway, who did not exonerate Ford, did accept the company's argument that "redressing the tragedies of that period has been—and should continue to be—a nation-to-nation, government-to-government concern."

Ford argues that company headquarters in Dearborn, Michigan, lost control of its German plant after the United States entered the war in 1941. Hence, Ford is not responsible for any actions taken by its German subsidiary during World War II. "We did not do business in Germany during the war," says Lydia Cisaruk, a Ford

spokeswoman. "The Nazis confiscated the plant there and we lost all contact." She added that Ford played a "pivotal role in the American war effort. After the United States entered the war, Ford threw its entire backing to the war effort."

That Ford and a number of other American firms—including General Motors and Chase Manhattan—worked with the Nazis has been previously disclosed. So, too, has Henry Ford's role as a leader of the America First Committee, which sought to keep the United States out of World War II. However, the new materials, most of which were found at the National Archives, are far more damning than earlier revelations. They show, among other things, that up until Pearl Harbor, Dearborn made huge revenues by producing war matériel for the Reich and that the man it selected to run its German subsidiary was an enthusiastic backer of Hitler. German Ford served as an "arsenal of Nazism" with the consent of headquarters in Dearborn, says a US Army report prepared in 1945.

Moreover, Ford's cooperation with the Nazis continued until at least August 1942—eight months after the United States entered the war—through its properties in Vichy France. Indeed, a secret wartime report prepared by the US Treasury Department concluded that the Ford family sought to further its business interests by encouraging Ford of France executives to work with German officials overseeing the occupation. "There would seem to be at least a tacit acceptance by [Henry Ford's son] Mr. Edsel Ford of the reliance...on the known neutrality of the Ford family as a basis of receipt of favors from the German Reich," it says.

The new information about Ford's World War II role comes at a time of growing attention to corporate collaboration with the Third Reich. In 1998 Swiss banks reached a settlement with Holocaust survivors and agreed to pay \$1.25 billion. That set the stage for a host of new Holocaust-related revelations as well as legal claims stemming from such issues as looted art and unpaid insurance benefits. This past November NBC News reported that Chase Manhattan's French branch froze Jewish accounts at the request of German occupation authorities. Chase's Paris branch manager, Carlos Niedermann, worked closely with German officials and approved loans to finance war production for the Nazi Army. In Germany the government and about fifty firms that employed slave and forced labor during World War II—including Bayer, BMW, Volkswagen and Daimler-Chrysler—reached agreement in mid-December to establish a \$5.1 billion fund to pay victims. Opel, General Motors' German subsidiary, announced it would contribute to the fund. (As reported last year in the *Washington Post*, an FBI report from 1941 quoted James Mooney, GM's director of overseas operations, as saying he would refuse to do anything that might "make Hitler mad.") Ford refused to participate in the settlement talks, though its collaboration with the Third Reich was egregious and extensive. Ford's director of global operations, Jim Vella, said in a statement, "Because Ford did not do business in

Germany during the war—our Cologne plant was confiscated by the Nazi government—it would be inappropriate for Ford to participate in such a fund."

The generous treatment allotted Ford Motor by the Nazi regime is partially attributable to the violent anti-Semitism of the company's founder, Henry Ford. His pamphlet *The International Jew: The World's Foremost Problem* brought him to the attention of a former German Army corporal named Adolf Hitler, who in 1923 became chairman of the fledgling Nazi Party. When Ford was considering a run for the presidency that year, Hitler told the *Chicago Tribune*, "I wish that I could send some of my shock troops to Chicago and other big American cities to help." (The story comes from Charles Higham's *Trading With the Enemy*, which details American business collaboration with the Nazis.) In *Mein Kampf*, written two years later, Hitler singled Ford out for praise. "It is Jews who govern the stock exchange forces of the American Union," he wrote. "Every year makes them more and more the controlling masters of the producers in a nation of one hundred and twenty millions; only a single great man, Ford, to their fury, still maintains full independence." In 1938, long after the vicious character of Hitler's government had become clear, Ford accepted the Grand Cross of the German Eagle, the Nazi regime's highest honor for foreigners.

Ford Motor set up shop in Germany in 1925, when it opened an office in Berlin. Six years later, it built a large plant in Cologne, which became its headquarters in the country. Ford of Germany prospered during the Nazi years, especially with the economic boom brought on by World War II. Sales increased by more than half between 1938 and 1943, and, according to a US government report found at the National Archives, the value of the German subsidiary more than doubled during the course of the war.

Ford eagerly collaborated with the Nazis, which greatly enhanced its business prospects and at the same time helped Hitler prepare for war (and after the 1939 invasion of Poland, conduct it). In the mid-thirties, Dearborn helped boost German Ford's profits by placing orders with the Cologne plant for direct delivery to Ford plants in Latin America and Japan. In 1936, as a means of preserving the Reich's foreign reserves, the Nazi government blocked the German subsidiary from buying needed raw materials. Ford headquarters in Dearborn responded—just as the Nazis hoped it would—by shipping rubber and other materials to Cologne in exchange for German-made parts. The Nazi government took a 25 percent cut out of the imported raw materials and gave them to other manufacturers, an arrangement approved by Dearborn.

According to the US Army report of 1945, prepared by Henry Schneider, German Ford began producing vehicles of a strictly military nature for the Reich even before the war began. The company also established a war plant ready for

mobilization day in a "'safe' zone" near Berlin, a step taken, according to Schneider, "with the...approval of Dearborn." Following Hitler's 1939 invasion of Poland, which set off World War II, German Ford became one of the largest suppliers of vehicles to the Wehrmacht (the German Army). Papers found at the National Archives show that the company was selling to the SS and the police as well. By 1941 Ford of Germany had stopped manufacturing passenger vehicles and was devoting its entire production capacity to military trucks. That May the leader of the Nazi Party in Cologne sent a letter to the plant thanking its leaders for helping "assure us victory in the present [war] struggle" and for demonstrating the willingness to "cooperate in the establishment of an exemplary social state."

Ford vehicles were crucial to the revolutionary Nazi military strategy of blitzkrieg. Of the 350,000 trucks used by the motorized German Army as of 1942, roughly one-third were Ford-made. The Schneider report states that when American troops reached the European theater, "Ford trucks prominently present in the supply lines of the Wehrmacht were understandably an unpleasant sight to men in our Army." Indeed, the Cologne plant proved to be so important to the Reich's war effort that the Allies bombed it on several occasions. A secret 1944 US Air Force "Target Information Sheet" on the factory said that for the previous five years it had been "geared for war production on a high level."

While Ford Motor enthusiastically worked for the Reich, the company initially resisted calls from President Roosevelt and British Prime Minister Churchill to increase war production for the Allies. The Nazi government was grateful for that stance, as acknowledged in a letter from Heinrich Albert to Charles Sorenson, a top executive in Dearborn. Albert had been a lawyer for German Ford since at least 1927, a director since 1930 and, according to the Treasury report, part of a German espionage ring operating in the United States during World War I. "The 'Dementi' of Mr. Henry Ford concerning war orders for Great Britain has greatly helped us," Albert wrote in July of 1940, shortly after the fall of France, when England appeared to be on the verge of collapse before the Führer's troops.

Ford's energetic cooperation with the Third Reich did not prevent the company's competitors from seeking to tarnish it by calling attention to its non-German ownership. Ford responded by appointing a majority-German board of directors for the Cologne plant, upon which it bestowed the politically correct Aryan name of Ford Werke. In March of 1941, Ford issued new stock in the Cologne plant and sold it exclusively to Germans, thereby reducing Dearborn's share to 52 percent.

At the time, the Nazi government's Ministry of Economy debated whether the opportunity afforded by the capital increase should be taken to demand a German majority at Ford Werke. The Ministry "gave up the idea"—this according to a 1942

statement prepared by a Ford Werke executive—in part because "there could be no doubt about the complete incorporation, as regards personnel, organization and production system, of Ford Werke into the German national economy, in particular, into the German armaments industry." Beyond that, Albert argued in a letter to the Reich Commission for Enemy Property, the abolition of the American majority would eliminate "the importance of the company for the obtaining of raw materials," as well as "insight into American production and sales methods."

As 1941 progressed, the board of Ford Werke fretted that the United States would enter the war in support of Britain and the government would confiscate the Cologne plant. To prevent such an outcome, the Cologne management wrote to the Reich Commission that year to say that it "question[ed] whether Ford must be treated as enemy property" even in the event of a US declaration of war on Germany. "Ford has become a purely German company and has taken over all obligations so successfully that the American majority shareholder, independent of the favorable political views of Henry Ford, in some periods actually contributed to the development of German industry," Cologne argued on June 18, 1941, only six months before the bombing of Pearl Harbor.

In May of 1942, the Superior Court of Cologne finally put Ford Werke in "trusteeship," ruling that it was "under authoritative enemy influence." However, the Nazis never nationalized Ford's German property—plant managers feared it would be turned over to Mercedes or the Hermann Goering Werke, a huge industrial network composed of properties seized by the Reich—and Dearborn maintained its 52 percent share through the duration of the war. Ford Werke even set aside dividend payments due to Dearborn, which were paid after the war. Ford claims that it received only \$60,000 in dividend payments. It's not possible to independently verify that—or anything else regarding Dearborn's wartime economic relationship with Cologne—because Ford of America was privately held until 1956, and the company will not make available its balance sheets from the period.

Labor shortages caused by the war—millions of men were at the front and Nazi ideology was violently opposed to the idea of women working—led the Reich to deport millions of people from occupied lands to Germany to work in factories. German companies were encouraged to bid for forced laborers in order to meet production quotas and increase profits. By 1943 half of Ford Werke's work force comprised foreign captives, including French, Russians, Ukrainians and Belgians. In August of 1944 a squad of SS men brought fifteen prisoners from the Buchenwald concentration camp to Ford Werke. The German researcher Karola Fings, co-author of *Working for the Enemy*, a book on Nazi slave- and forced-labor programs, to be published this spring, says Ford's worker-inmates toiled for twelve hours a day with a

fifteen-minute break. They were given 200 grams of bread and coffee for breakfast, no lunch and a dinner of spinach and three potatoes or soup made of turnip leaves.

An account by Robert Schmidt, the man appointed to run Ford Werke in 1939, states that the company used forced laborers even before the Nazis put the plant in trusteeship. His statement, sent to a Ford executive in England immediately after Germany's surrender, says that as of 1940 "many of our employees were called to the colours and had to be replaced by whatever was available.... The same applies to 1941. Some 200 French prisoners of war were employed." In a statement to the US Army in 1945, Schmidt said that the Gestapo began to play an important role at Ford Werke after the first foreign workers arrived. With the assistance of W. M. Buchwald, a Ford employee since the mid-thirties, the Gestapo carefully monitored plant activities. "Whenever there was the slightest indication of anti-Nazi feeling, be it amongst foreigners or Germans, the Gestapo tramped down as hard as possible," Schmidt told the Army.

Meanwhile, Ford Werke offered enthusiastic political support for Hitler as well. The fraternal ties between Ford and the Nazis is perhaps best symbolized by the company's birthday gift to the Führer of 35,000 Reichsmarks in April of 1939. Ford Werke's in-house publication couldn't have been more fanatically pro-Nazi if Josef Goebbels had edited it. "Führer," the poem printed at the top of this story, ran in the April 1940 issue, which celebrated Hitler's 51st birthday by running his picture on the cover. The issue carried an excerpt of a speech by Hitler in which he declared that "by natural law of the earth, we are the supreme race and thus destined to rule." In another section of the speech, the Führer declared that communism was "second in wretchedness only to Judaism." The issue from April of the following year—this at roughly the high point of the Third Reich's military victories—featured a photograph of a beaming Hitler visiting with German soldiers on the front lines. "The management of the Ford-Werke salutes our Führer with grateful heart, honesty, and allegiance, and—as before—pledges to cooperate in his life's work: achieving honor, liberty and happiness for Greater Germany and, indeed, for all peoples of Europe," reads the caption.

Robert Schmidt so successfully converted the plant to a war footing that the Nazi regime gave him the title of Wehrwirtschaftsführer, or Military Economic Leader. The Nazis also put Schmidt in charge of overseeing Ford plants in occupied Belgium, Holland and Vichy France. At one point, he and another Cologne executive bitterly argued over who would run Ford of England when Hitler's troops conquered Britain.

Schmidt's personal contributions to Ford Werke's in-house organ reflect his ardently pro-Nazi views. "At the beginning of this year we vowed to give our best and

utmost for final victory, in unshakable faithfulness to our Führer," he wrote in December of 1941, the same month as Pearl Harbor. "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 following March, Schmidt penned an article in which he declared, "It depends upon our work whether the front can be supplied with its necessities.... therefore, we too are soldiers of the Führer."

The Ford family and company executives in Dearborn repeatedly congratulated the management of Ford Werke on the fine work they were doing under the Nazis. In October of 1940 Edsel Ford wrote to Heinrich Albert to say how pleased he was that the company's plants in occupied lands were continuing to operate. "It is fortunate that Mr. Schmidt is in such authority as to be able to bring out these arrangements," said Edsel, who died of cancer during the war. The same letter indicates that Ford was quite prepared to do business with the Nazis if Hitler won the war. Though it was difficult to foresee what would happen after the fighting ended, Edsel told Albert, "a general rearrangement of the ownership of our continental businesses may be required. You will no doubt keep as close to this subject as possible and we will have the benefit of your thoughts and suggestions at the proper time."

"To know that you appreciate our efforts in your and the company's interests is certainly a great encouragement," Albert replied the following month. He went on to praise Schmidt, who had been forced to shoulder immense responsibilities after war broke out. "In fulfilling his task his personality has grown in a way which is almost astonishing." Indeed, Schmidt grew to such a great degree that the Nazis kept him in charge of Ford Werke after they put the company in trusteeship. In February of 1942, when the question of who would run the Cologne plant was still up in the air, a local Nazi official wrote to Hitler's Chancellery in Berlin to put in a good word for Ford's man. The official said he saw "no reason to appoint a special custodian for the enterprise" since Schmidt was "a Party member [who] enjoys my confidence and...the confidence of the German Armed Forces."

Ford's behavior in France following the German occupation of June 1940 illustrates even more grotesquely its collaborationist posture. As soon as the smoke had cleared, Ford's local managers cut a deal with the occupation authorities that allowed the company to resume production swiftly—"solely for the benefit of Germany and the countries under its [rule]," according to a US Treasury Department document. The report, triggered by the government's concern that Ford was trading with the enemy, is sharply critical of Maurice Dollfus, a Ford director in France since 1929 and the company's manager during the Vichy period. "Mr. Dollfus was required by law to replace directors, and he selected the new directors exclusively from the ranks of prominent collaborationists," says the Treasury report. "Mr. Dollfus did this

deliberately to curry favor with the authorities." The report refers to another Ford employee, a certain Amable Roger Messis, as "100% pro-German."

The Treasury Department found that Ford headquarters in Dearborn was in regular contact with its properties in Vichy France. In one letter, penned shortly after France's surrender, Dollfus assured Dearborn that "we will benefit from the main fact of being a member of the Ford family which entitles us to better treatment from our German colleagues who have shown clearly their wish to protect the Ford interest as much as they can." A Ford executive in Michigan wrote back, "We are pleased to learn from your letter...that our organization is going along, and the victors are so tolerant in their treatment. It looks as though we still might have a business that we can carry on in spite of all the difficulties."

The Ford family encouraged Dollfus to work closely with the German authorities. On this score, Dollfus needed little prodding. "In order to safeguard our interests—and I am here talking in a very broad way—I have been to Berlin and have seen General von Schell himself," he wrote in a typed note to Edsel in August of 1940. "My interview with him has been by all means satisfactory, and the attitude you have taken together with your father of strict neutrality has been an invaluable asset for the protection of your companies in Europe." (In a handwritten note in the margin, Dollfus bragged that he was "the first Frenchman to go to Berlin.") The following month Dollfus complained about a shortage of dollars in occupied France. This was a problem, however, that might be merely temporary. "As you know," he wrote Dearborn at the time, "our [monetary] standard has been replaced by another standard which—in my opinion—is a draft on the future, not only in France and Europe but, maybe, in the world." In another letter to Edsel, this one written in late November of 1940, Dollfus said he wanted to "outline the importance attached by high officials to respect the desires and maintain the good will of 'Ford'—and by 'Ford' I mean your father, yourself and the Ford Motor Company, Dearborn."

All this was to the immense satisfaction of the Ford family. In October of 1940, Edsel wrote to Dollfus to say he was "delighted to hear you are making progress.... Fully realize great handicap you are working under." Three months later he wrote again to say that Ford headquarters was "very proud of the record that you and your associates have made in building the company up to its first great position under such circumstances."

Dearborn maintained its communication with Ford of France well after the United States entered the war. In late January of 1942, Dollfus informed Dearborn that Ford's operations had the highest production level of all French manufacturers and, as summed up by the Treasury report, that he was "still relying on the French government to preserve the interests of American stockholders."

During the following months, Dollfus wrote to Edsel several times to report on damages suffered by the French plant during bombing runs by the Royal Air Force. In his reply, Edsel expressed relief that American newspapers that ran pictures of a burning Ford factory did not identify it as a company property. On July 17, 1942, Edsel wrote again to say that he had shown Dollfus's most recent letter to his father and to Dearborn executive Sorenson. "They both join me in sending best wishes for you and your staff, and the hope that you will continue to carry on the good work that you are doing," he said.

As in Germany, Ford's policy of sleeping with the Nazis proved to be a highly lucrative approach. Ford of France had never been very profitable in peacetime—it had paid out only one dividend in its history—but its service to the Third Reich soon pushed it comfortably into the black. Dollfus once wrote to Dearborn to boast about this happy turn of events, adding that the company's "prestige in France has increased considerably and is now greater than it was before the war."

Treasury Department officials were clearly aghast at Ford's activities. An employee named Randolph Paul sent the report to Secretary Henry Morgenthau with a note that stated, "The increased activity of the French Ford subsidiaries on behalf of the Germans received the commendation of the Ford family in America." Morgenthau soon replied, "If we can legally and ethically do it, I would like to turn over the information in connection with the Ford Motor Company to Senator [Harry] Truman."

Lydia Cisaruk, the Ford spokeswoman, says that Ford Werke's pre-Pearl Harbor support for the Third Reich was largely unknown to company headquarters. Neither of the two Dearborn executives on Ford Werke's board, Edsel Ford and Charles Sorenson, attended board meetings after 1938. "By 1940, Dearborn was becoming less and less involved in day-to-day operations," she says. "There was a gradual loss of control." Asked about Ford Werke's political support for the Nazis, as seen in its in-house newsletter, she replied: "Looking at the years leading up to the war, no one could foresee what was going to happen. A number of countries were negotiating with Germany and Germany was repeatedly saying that it was interested in peaceful solutions. The United States was talking to Germany until the two countries went to war." She concedes that some "foreign" labor was employed at the plant beginning in 1940, but says Dearborn had no knowledge of that at the time. Ford is currently conducting an exhaustive investigation into Ford Werke, she says. When the research is completed this year, the company will make available all of the documentary evidence it has accumulated, including financial records. While Ford did not take part in the German slave-labor talks, Cisaruk says it is in preliminary discussions with Deputy Treasury Secretary Stuart Eizenstat to establish a humanitarian US-based fund for Holocaust survivors. "We do want to help people who suffered at the hands of the Nazis," she says.

Production at Ford Werke slowed at the end of the war, in part because of power shortages caused by Allied bombing runs, but activity never came to a halt. Soon after Germany's capitulation, Ford representatives from England and the United States traveled to Cologne to inspect the plant and plan for the future. In 1948 Henry Ford visited Cologne to celebrate the 10,000th truck to roll off the postwar assembly line there. Two years later, Ford of Germany rehired Schmidt—who had been arrested and briefly held by US troops at the war's end—after he wrote a letter to Dearborn in which he insisted that he had fervently hated the Nazis. He was one of six key executives from the Nazi era who moved back into important positions at Ford after 1945. "After the war, Ford did not just reassume control of a factory, but it also took over the factory's history," says historian Fings. "Apparently no one at Ford was interested in casting light upon this part of history, not even to explicitly proclaim a distance from the practices of Ford Werke during the Nazi era." Schmidt remained with Ford until his death in 1962.

The high point of Ford's cynicism was yet to come. Before its fall, the Nazi regime had given Ford Werke about \$104,000 in compensation for damages caused by Allied bombings (Ford also got money for bombing damages from the Vichy government). Dearborn was not satisfied with that amount. In 1965 Ford went before the Foreign Claims Settlement Commission of the US to ask for an additional \$7 million. (During the hearings, commission attorney Zvonko Rode pointed to the embarrassing fact—which Ford's attorney did not dispute—that most of the manufactured products destroyed during the bombings had been intended for the use of the Nazi armed forces.) In the end, the commission awarded the company \$1.1 million—but only after determining that Ford had used a fraudulent exchange rate to jack up the size of the alleged damages. The commission also found that Dearborn had sought compensation for merchandise that had been destroyed by flooding.

Ford's eagerness to be compensated for damages incurred to Ford Werke during the Nazi era makes its current posture of denying any association with the wartime plant all the more hypocritical. These new revelations may force Ford to reconsider its responsibilities with regard to slave labor. In the meantime, new legal developments could also create problems for the company. Last year California passed a law that extends the statute of limitations on Holocaust-related claims. In November Senator Charles Schumer of New York introduced a bill in Congress that would do the same thing at the federal level.