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ALFRIED KRUPP

THE FALL AND RISE OF ALFRIED KRUPP

BY
GORDON YOUNG

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To

MAJOR J. C. LAURENCE YOUNG, D.S.O.,

3 Canadian Division

Killed in action, aged twenty-three,

on 13 October, 1918

AUTHOR'S FOREWORD

THIS book sets out to be neither an indictment nor a defence. The aim has been only to record, as objectively as possible, the facts of what must surely be one of the most remarkable manifestations of the peace which has followed two world wars. What it is a manifestation of the reader will no doubt decide for himself, according to his own lights.

I have to express my sincere thanks to the Chief Librarian of the United Nations Library in Geneva for enabling me to consult freely the voluminous mimeographed record of the Nuremberg Trial, most of it hitherto unpublished. Books to which I referred, more especially for early Krupp history, included, in addition to official records, the histories of the firm written respectively by Bernhard Menne, Ernst Schroeder, and Gert von Klass. The quotations from Krupp family documents and the proceedings of the Nuremberg Trial are in the words of the official English texts, as rendered by U.S. Army translators, who worked under heavy pressure at the time of the original investigation. I must also sincerely thank Claus Leo Brawand of *Der Spiegel*, Germany, for much invaluable information and aid.

Essen and Zürich, 1960 GORDON YOUNG

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MAN AT THE TOP

HE stood just a few paces behind the President, silent, aloof—almost diffident. The crowd of guests who surged round the fatherly figure of Theodor Heuss took hardly any notice of the tall, spruce man in the discreetly dark, double-breasted suit. And he in turn gazed impassively at the guests, with steel-grey eyes beneath greying bushy eyebrows, as detached as an eagle peering from its eyrie. Only the faint trace of an ironic smile seemed to play round the corners of the thin mouth and the handsome, square-cut jaw.

The President of Germany is making a speech. 'This impressive exhibition . . . five thousand years of Indian art . . . so many of you here that I feel like one of the exhibits myself.' General laughter. The thin lips part into a more pronounced smile, reassured, content. The gathering is a success. The Villa Hügel outside Essen, built by Alfred Krupp the 'Cannon King' and the sombre home of four generations of Krupps, is reborn as a home for international art. The high, echoing halls where, for more than half a century, the talk was almost exclusively of steel and guns and money, now ring with appraisements of oriental sculpture. From great gilt-framed oil paintings in the vast entrance hall, the people of the past look down—Alfred Krupp and the first Bertha Krupp, Friedrich Krupp, Gustav von Bohlen and his wife, the second Bertha—Alfried's parents—surrounded by all their seven children, two German Kaisers, and the Empress Auguste Viktoria, painted in that fateful year of 1914. But they are only people of history now, and Alfried Krupp is the man of the present and future. There is no more talk in the Villa Hügel today of war-making and armaments,

only of art and international trade. The 'House on the Hill' is reborn, Alfried Krupp is reborn, and the past is forgotten—or is it?

Gradually the guests recognize and surge around the tall, quiet German who had obscured himself behind the visiting President, and Alfried Krupp allows himself to emerge, gradually and tactfully, into the public eye. He bears a striking physical resemblance to two other public figures of universal fame: an introvert and formidable Prince Philip, an aloof and aristocratic Gary Cooper. The guests shake his hand and question him, and to all he gives grave, soft-spoken answers and steely smiles of welcome. An able, calculating man, whom life has taught to tread carefully.

That impression is heightened when you meet Alfried Krupp at close quarters, for a talk in his private office, high up in the red-brick administrative building of 'Fried. Krupp' on the outskirts of Essen. The office itself gives the keynote to the new spirit of the reborn Krupp: austerity, modernity, discretion. It is a large, high room, strictly 'contemporary' in furnishing, with a plain grey fitted horsehair carpet, a large elm-wood desk and an even larger elm-wood conference table, streamlined leather-covered chairs, modern chandeliers of bright brass. No luxury. No books, no files, no papers anywhere.

Alfried Krupp rises from his desk to greet you, and he seems immensely tall. Again you note the extreme discretion of his dress. The richest man in Europe, and maybe in the world, wears, with his plain suit, a plain white shirt, plain dark-blue tie of knitted silk, and small cuff-links which you only incidentally notice are made of green jade set in gold. He smokes a lot, but not nervously, and he is slow, very careful in all he says, very cagey. Again, you have the impression of a man who has fought his way step by step through the jungle of life, has no illusions and knows that there can be pitfalls along even the most innocent-looking paths.

I try for a harmless opening, with talk of his childhood, but even that produces a hesitant reply.

'What books did I read? Oh, the usual ones, I suppose. I really don't remember.'

The Krupp official sitting in with us does a little prompting. 'Karl May, perhaps?' mentioning the German writer who once was to

German children what G. A. Henty, Fenimore Cooper or Jules Verne was to our own.

'Oh yes, Karl May, of course.' A pause. 'And—*Gulliver's Travels*, I remember.' But he is over fifty now, and childhood was a long time ago.

Hobbies? Alfried Krupp likes sailing in his 66-foot schooner *Germania V*, playing the German card game *Skat*, for low stakes, driving fast cars, and photography. Whenever he goes on one of his world trade tours, he takes a camera with him, and each year a few of his intimate friends get presented with an elegantly bound book of pictures, 'My Tour in Asia', or wherever it was.

We are warming up a little, and it seems time to talk of more serious matters to this enigmatic man who yesterday was a penniless 'war criminal' and today is sole proprietor of an industrial empire whose gross annual turn-over has been estimated at £400,000,000—and still expands—and the number of whose employees has topped the one hundred thousand mark. I lead the conversation round to those days of the war when, in 1943, Alfried had taken over control of Krupp, its arms factories and its slave labourers, from his father Gustav. 'You feel you did the right thing, I suppose?'

'I feel I did the only thing possible. My father was seventy-three: he was pretty tired. I believe he was happy to be out of the responsibility and out of the front line. It was difficult for him to handle all the young wild men from the Nazi Party. It was easier for me, because I didn't have my father's diplomatic background, which of course didn't fit into the circumstances of Germany at that time. I saw my task as being to defend our workers against outside interference. If I had not done it, if I had stood in the background and remained aloof from the firm, the Government would have put in a Commissioner from the party, and nobody knows what might have happened to us.'

No, he had no feeling of personal guilt, though of course he regretted many things which had happened under Hitler. The firm of Krupp had done the best they could for the foreigners sent during the war to work for them. No, Alfried Krupp bore no animosity for his trial and imprisonment. Such things were 'inevitable' in the immediate post-war days. But now it was time to think not of the past but the future. And in world commerce, he believed, the future lay in two things,

concentration and co-operation. And as he came on to ground which he thoroughly knew, Alfried Krupp became more expansive.

'I believe that companies all over the world which have reached a certain size, are not able to live their own private and separate lives. They must co-operate with others, both inside Germany and internationally. One of the most important issues for the future is to build up good co-operation with other companies. Competition is good and healthy—but not cut-throat competition.'

That was why he had always believed in the absolute necessity for Krupp to recover its steel and coal interests: he had no misgivings, none at all, over the fight he had carried on to achieve this end. 'For one thing, a company must know to whom it really belongs. For another, modern technical progress makes this kind of unity essential. It is a question of efficiency.

'For instance, we are now building all kinds of new machinery, for which we need new and special forms of steel. We go new ways and we have to try out new designs and methods, and for this it is important that we know how a particular piece of steel will stand up to what we want it to do. Perhaps, for example, we want a high-pressure cylinder for the chemical industry. Our designer needs to be able to go to the steel works and discuss his problem there, study it with the steelworkers and consider the special alloys to be used. But this is just not possible for a firm which has to buy all its steel on the open market, without a chance of contacting the manufacturer in advance. The more consultation there can be, the more we facilitate our quality targets. And I think our whole future lies in high-quality work. The time is past when you could build an industry like Krupp on mass-production of steel for armaments and railroads. The future lies in special steels for high-grade machinery. That really seems quite obvious if you simply compare the prices. One kilogram of steel for railway lines fetches about two marks: the same weight of steel for machine tools is sold at exactly ten times that price. We have to change our thinking in accordance with the times. In that respect, the new Krupp is something quite different from the old.'

The new is different from the old. That is the theme-song, not only of Krupp, but of the whole of Essen today. When you step from the train at the main railway station, the first thing you see is a brilliant

neon sign, in letters six feet tall, proclaiming, 'ESSEN—DIE EINKAUFSSTADT'—Essen, the city of trade. That means, no longer the city of guns and shells and armaments which have twice held the world to ransom. At the Chamber of Commerce I was told, 'Essen is a city founded on coal and iron—almost literally founded on it, for some of the coal mines have deep shafts which run beneath the main streets and buildings themselves. But that fact has twice brought us into times of crisis. Now we are trying to change the basis. Today, nearly as many people in Essen are busy with trade and commerce as with coal and steel. We are trying to expand the trade side, because we feel that will insulate us against new crises.'

And so, with its gleaming steel and glass skyscrapers, its prosperous shops, its lectures and operas, art exhibitions and symphony concerts, a new Essen has arisen, phoenix-like from the rubble of the old. The Villa Hügel, where Kaisers and ministers and diplomats once intrigued, is now a museum and its grounds a public park. Alfried Krupp himself is filling the role of a new man leading a new tradition, a phoenix king. And the past is already dim and forgotten and unimportant.

Or is it?

CHAPTER ONE

FAMILY HISTORY

THE first step in any attempt to understand the phenomenon of Alfried Krupp must certainly be to go back to the roots. For no man, surely, was ever more clearly the product of his own ancestry, environment, and upbringing. In him the past can be seen reflected in the present in a score of different ways. To be sure there may be variations along the family line both in talents and in weaknesses, but one thing seems perfectly clear in all the history of the House of Krupp: the phoenix may perish or rise, but it retains to an astonishing extent certain basic aspects of its character.

One of these is tenacity—a tenacity as tough as the steel which the family has forged for a century and a half. And it is a quality which has sprung from the womenfolk of the family quite as much as from the men. Indeed, one of the most striking aspects of the ancestry of Alfried Krupp is the number of examples which it reveals of women, tireless, indefatigable and resolute, who have either single-handedly surmounted disaster or have sturdily aided their men to fresh achievement. The voluminous records of Krupp family history, collected with reverence and assembled with true Germanic thoroughness in the archives of Essen, are filled with names such as those of Helene Amalie Krupp, Therese Krupp, Margarethe Krupp, and the two Bertha Krupps, all outstanding examples of the Teutonic ideal of womanhood, all able, valiant, and undefeatable, and all—whatever their other merits or demerits—saying yes to life with a positively Nietzschean zest.

The Essen records of Krupp go back a very long way—to that Arndt Krupp whose name appears in the local Guild archives of the

year 1587 as an enterprising merchant of wines, spirits, groceries, and hardware. Little is known about his origin, but in character he seems to have possessed much of the toughness and drive which were to carry his descendants to further riches and power. For despite the upheavals of the Reformation and the ravages of the great plague of 1599, Arndt Krupp is shown in the local records as having progressed from strength to strength, adding new lines of enterprise to his wineshop, acquiring land and property, including an imposing house in the Essen Salt Market, opposite the Town Hall, and being elected to an important post on the Municipal Council. The profits he made by trading he put to good account as a money-lender. It seems that he placed out his money with extreme prudence, for the records speak of a loan which he made to a citizen named Johann Osterfeld, and his wife Anna, of 150 thalers at six per cent, for which he was given by the Osterfelds, as security, a mortgage on their house in the Limbeckerstrasse, two brewing-vats, 'and all their heirlooms, present and future, to cover any possible loss'. Arndt Krupp raised four children and one of them, his daughter Catharina, married another prosperous and enterprising member of the Municipal Council, a merchant named Alexander Huyssen. Catharina was a true forerunner of the great line of Krupp womanhood, for she outlived her husband by many years, took over control of his business, and ended up, according to the Krupp family historians, as 'the richest woman in Essen'.

The last recorded act of Arndt Krupp before his death in 1624 was probably typical of the tough and realistic character which had won him both money and local power: it was the purchase from a local quarry for two thalers of a tombstone. Sensing the approach of his final days, he had bought it for himself.

In the century which followed, the House of Krupp had many ramifications and vicissitudes, but it was not until the early part of the eighteenth century that this family, predominantly of traders, shopkeepers, and businessmen, had its first contacts with the minerals of the earth on which its ultimate greatness was to be founded. And strangely enough it was a woman, herself a distant relative of Arndt Krupp, though a member of a quite different family, who brought into the line the new impetus and enterprise.

Helene Amalie was born in 1732, the daughter of another Essen

merchant and municipal councillor named Ascherfeld, whose great-grandmother was in fact a second daughter of Arndt Krupp, named Margarethe. One of the closest friends of Herr Ascherfeld both in the council and in local business circles was another member of the Krupp family, Friedrich Jodokus Krupp, a grocer and cattle-dealer, who had made a rich marriage to a woman older than himself and who had, in 1737, bought a house located in the very centre of Essen, on the corner of the Flax Market and the Limbeckerstrasse. This house, as it turned out, was to become famous as the birthplace of many subsequent Krupps, including the great-grandfather of Alfred Krupp himself.

But Jodokus lived with his rich wife for only a short time in this new home. She died suddenly and, at the age of fifty-four he was left a widower, comfortably established but inconsolably lonely. Thus it came about that when his friend Ascherfeld introduced to him his handsome, lively, and intelligent nineteen-year-old daughter, Jodokus promptly invited her to become his second wife. And in this way the Krupp saga came full circle: a Krupp had married a distant descendant of a Krupp, the foundations had been laid for a new fortune and a new dynasty.

Even before she came of age, it was clear that Helene Amalie would bring to the business of Jodokus Krupp new enterprise, ideas, and impetus, for she was a remarkably talented girl, and an indefatigable worker. Within a year or two she had learned all the intricacies of trading and was genuinely interested in the administration of affairs. It was fortunate that this should be the case, for Jodokus died only six years after he had married her, and the business passed completely into her hands. Nothing daunted, apparently, Helene Amalie from then on combined the care of her two children with the considerable development of the family's commercial interests.

She not only maintained the flourishing grocery business which had been established by her husband, but she was constantly on the search for new lines of development and expansion. Under the succinct title of 'Witwe Krupp' (Widow Krupp), her firm reached out to new sources of supply, created new needs, and discovered new customers. To the groceries she added linens, cotton goods, a butcher's meat department—and even the sale of lottery tickets. She found new sources of supply in the markets of Cologne and Amsterdam. She

organized local housewives to sew and embroider towels and handkerchiefs at piece rates for sale in her shop. She recognized the commercial possibilities of a new popular fad—and established a factory for making snuff. When her son Friedrich Wilhelm came of age, she put him into the firm—as a book-keeper. He appears to have had little of his mother's talent and drive, and his chief claim to fame seems to be that, through his marriage to Petronella Forsthof, he became the direct ancestor of Alfried Krupp. For he had two sons and a daughter, and it was one of these sons, Friedrich, who was destined to be Germany's pioneer of cast-steel, the founder of the present dynasty, and the man from whom, even today, the factory takes its official title of 'Fried. Krupp'.

It seems that the combined exertions of marriage and of keeping the books for his tireless mother proved too much for Friedrich Wilhelm Krupp, for he died in 1795, leaving the sole care of the business once again in the hands of Helene Amalie, now a woman of sixty-three.

But her son's death affected the iron resolve and the business ability of this remarkable woman not at all. She launched out into still further new enterprises. One of them was the purchase of an iron fulling works: another was the decisive step which forms the starting-point for all subsequent Krupp history—her acquisition in 1800, when she herself was already sixty-eight, of the 'Good Hope' Iron Foundry at Sterkrade, near Essen.

The iron foundry came into her hands in an indirect way. Its original creator, Eberhard Pfandhöfer, had been a talented technician but a bad businessman who had continually borrowed money from the rich 'Widow Krupp' and had in the end found himself unable to repay his debts. So, despite her age, Helene Amalie decided to take over the foundry herself, and herself carry out its reorganization and development. And to help her in the details of daily administration she took into the business her grandson, Friedrich, who had lost his father, Friedrich Wilhelm, when he was eight, and was even now only twenty years old.

The task of those who seek to follow the fortunes of the ancestors of Alfried Krupp is not made easier by the fact that no fewer than four of them bore the name 'Friedrich'. Friedrich Jodokus was the first, his son Friedrich Wilhelm was the second and *his* son Friedrich was the

third, and was the true founder of the firm which today, though owned by Alfried, still bears the official name of 'Fried. Krupp'. Friedrich the third was the father of the great Alfred Krupp, whom the world came to know as the 'Cannon King' and who, as we shall see, fathered the fourth Friedrich Krupp, who was the present Alfried's grandfather. The further ramifications of the family need not concern us, for the Krupps were prolific in offspring as in business ingenuity: Alfried himself was one of a family of seven.

The twenty-year-old Friedrich who now took over from the 'Widow Krupp' the management of the 'Good Hope' iron foundry was a youth of charm, ambition, self-confidence, and enterprise: but he sadly lacked two essential qualities for the building of great industries—technical knowledge and judgment. All his previous commercial experience had been obtained in his grandmother's general store in the Essen Flax Market: he knew virtually nothing of engineering. One of his first rash steps was to dismiss the experienced agent who had been in charge of the works, and a second was to launch prematurely into schemes of expansion which he was ill-prepared to administer. Business fell off and profits decreased at such a rate that the shrewd old lady who had installed young Friedrich became alarmed. And when Friedrich himself fell temporarily ill, Helene Amalie took the opportunity to dispose of the 'Good Hope' foundry while the going was still good and, indeed, succeeded in selling it in 1808 for 37,000 thalers, which was about double what she had originally paid for it. She died two years later, one of the most wealthy women in the Ruhr, and part of her legacy went to Friedrich, who by then was well again and had returned to his more familiar role of an import-export agent trading in sugar and spices with Holland, in defiance of the customs barriers at that time erected in Western Europe by Napoleon.

But Friedrich's short period in the iron foundry had taught him the bare elements of metallurgy, had planted in him the seeds of a new interest, and perhaps his initial failure acted on him as a challenge to prove his own capabilities. He had failed with iron, but he had learned of something better than that, something more modern and, in the light of the industrial revolution just then beginning, with much greater potentialities—and that was steel. For more than half a century crucible steel from Sheffield had been sent from England to the Continent. But

now, in 1811, the blockade of Britain proclaimed by Napoleon was at its height and European countries were virtually cut off from the possibility of obtaining high-quality British steel. The ebullient Friedrich Krupp resolved that he would learn the secrets of the process—in which at that time the British were paramount—of producing high-quality crucible steel.

And just at that moment his ambitions were spurred by the arrival in Essen of two retired army officers of the name of Kechel who confided to him that they possessed a secret formula which would make possible the production of a steel to rival anything that the British could produce by their new-found Bessemer process. What the brothers Kechel omitted to reveal to Friedrich Krupp was that their 'formula' had, apparently, been drawn from a handbook on chemistry in which the method of producing steel devised long before by the French expert Chlouet was fully described—a process which itself was derived from the work of a Sheffield watchmaker named Huntsman, who had produced his own system as long ago as 1740. The Kechels also kept a convenient silence over the fact that a previous steel-making enterprise of theirs elsewhere in western Germany had ended in financial disaster for all concerned.

But the impulsive Friedrich asked no awkward questions, was carried away by the bright prospects now in store. He had in his possession part of the fortune left to him by his grandmother of 120,000 thalers. He was twenty-five and full of self-confidence and hope. He had just married the sixteen-year-old daughter of an Essen merchant named Therese Wilhelmi. The whole future seemed rosy. He resolved to make the little town of Essen, at that time a place with no more than five thousand inhabitants, a centre from which Europe's best steel should be distributed all over the Continent.

And thus there came to be founded, in the year 1812, the firm of 'Fried. Krupp' which, surviving many vicissitudes, was to become a living part of German history. Indeed, German history and the destiny of Krupp have never ceased to be closely bound up together. Certainly the moment chosen for the birth of the firm could hardly have been more propitious.

At the end of the eighteenth century, western Germany had been little more than a conglomeration of paltry principalities and Free

Cities, some of which were to be gradually brought together under the domination of Napoleon. But now the year 1812 which saw the foundation of Fried. Krupp saw also Napoleon's retreat from Moscow—the beginning at once of the downfall of Bonaparte's France and the creation of a National Germany, born from the spirit of common resistance to the French, and organized under the leadership of Prussia. Within only two years of the foundation of Krupp came the Congress of Vienna, one result of which was that the former Napoleonic kingdom of Westphalia was assigned to Prussia. With it went neighbouring lands on the Rhine and Ruhr, including the ancient Free City of Essen. Thus the stage was set for the Ruhr, now enriched by the iron ore of Alsace-Lorraine, to become the centre of an armament industry for a unified and ambitious Germany, and indeed for a whole new Europe which was gradually emerging as a result of the Industrial Revolution. As will be seen, the twenty years which followed the arrival in power of Bismarck as Prime Minister of Prussia—that period which included the 1864 war against Denmark, the 1866 war with Austria and the 1870 war with France—were singularly propitious for the rise to power of a 'Cannon King', even though the firm of Krupp was first to have to endure many dire vicissitudes. And during Bismarck's Second Reich the stage was set for the entry of Hitler's Third Reich, which once again created conditions of new power for the firm of Krupp. Thus does history repeat itself, though even the optimistic Friedrich could hardly have envisaged such vast potentialities as he toiled in his primitive iron foundry.

In the same year as Friedrich founded his steelworks, a son was born to him in their home in the Flax Market, to whom he and Therese gave the name of Alfred. This was the child who was to grow up to become the 'Cannon King', great-grandfather of the present Alfried Krupp, after whom Alfried (with a distinctive difference of spelling) was named.

And so, filled with rosy dreams of the future 'pleasant schemes', as he called them, young Friedrich flung himself with energy and enthusiasm into the new enterprise. He bought equipment, built a plant, and himself learned something of the mysteries of blast furnaces. But his technical advisers had sorely misled him. Within a year he had discovered that he was, in fact, producing only a small amount of steel at

a wholly uneconomic cost. At the end of two years the 'Fried. Krupp Crucible Steel Works' came completely to a standstill—and Friedrich summarily dismissed the brothers Kechel.

But Friedrich persisted. With the aid of loans and with another partner, he started the works up again a year later—and this time achieved a certain success. Important orders came to him from the Prussian mints, who took from him dies and rolls of cast steel, and, in the year 1818, for the first time, the firm's books showed a substantial profit. Alas, this brief success was Friedrich's undoing. Again with more enthusiasm than judgment, he decided that his existing factory was already too small for the new orders which would soon be pouring in on him. Again he sought loans and sold family property to launch upon a fantastic programme of new building—one hall he built had space in it to accommodate sixty blast furnaces, though only eight were ever actually erected in his lifetime. To be sure some more orders did come in, including one for steel blocks for bayonets and gun-barrels—the first of the Krupp arms contracts. But the orders were far from keeping pace with Friedrich's mania for expansion. Further trouble arose when an attempt to raise prices discouraged customers, and when clients began to complain of unpunctual deliveries, due to failures of organization. Increasingly Friedrich's creditors began to press him: his own father-in-law, the merchant Wilhelmi, sued him for repayment of loans of 14,500 thalers—and in return took possession of the house in the Flax Market which had been in the family for over a hundred years. Friedrich and Therese and their twelve-year-old son Alfred moved out of the ancestral home into the little house at the gates of the new factory which Friedrich had originally had built for the foreman. 'I can keep a better eye on affairs at the works—besides, I need the country air,' he reassuringly explained to his friends.

And then serious ill-health supervened on business troubles. For the last two years of his life Friedrich Krupp was intermittently bedridden with pectoral dropsy. Orders almost completely ceased, debts piled up, workers were dismissed or drifted away. When Friedrich Krupp died on 8 October, 1826, at thirty-nine, there were only seven workers remaining in the factory, and he left behind him debts of 10,000 thalers. He was buried in a cemetery in the centre of Essen which, only a little later, was built over by the expanding town. No picture is

in existence of the man who founded the steel 'empire', and no tombstone marks his grave. His only memorial is the name which he gave to the permanent title of the firm: 'Fried. Krupp.'

Surely no great industry has been founded under stranger circumstances.

* * *

The tragedy of Friedrich Krupp served at least to put another member of the valiant line of Krupp women on her mettle. That was his widow Therese who, left at thirty-six with a ruined business and four children, promptly set to work to restore the family fortune. Whatever one's view of the Krupp story as a whole, it is difficult not to be moved by the resolution with which the widowed mother and her eldest son, the fourteen-year-old Alfred, now co-operated in countering the blows of fate. Within a fortnight of her husband's death, Therese Krupp was writing a letter to one of her husband's former business associates which is today carefully preserved in the family archives, gallantly assuring him that, despite her husband's death, 'The business will not be at all prejudiced as a result, for my husband took the precaution to instruct my eldest son in the secret process of the preparation of cast steel, and during the former's illness my son . . . has been solely responsible both for materials and for the entire conduct of the business.' She says that she and her son will carry on the business as before and requests a supply of five thousand pounds of good quality iron—on credit.

And the very same week that his father died, young Alfred, at an age when most boys are still at school, began to write in his own name business letters which already bore the unmistakable stamp of authority. Communicating as an equal with Director-General Goedeking, of the Berlin Mint, on 15 October, 1826, Alfred Krupp assured this important customer of the firm, 'The business, which has much improved since the departure of the last manager, Grevel, a year ago, since when I have had during my father's illness to attend to everything myself, will not suffer by this change, as my mother, who has instructed me to present her most obedient regards to you, will continue it with my help. The satisfaction of merchants, mints, etc., with the crucible

steel which I have turned out during the past year has gone on increasing, so that we often cannot produce as much as we receive orders for. . . .'

Seven workers in the foundry, plus Alfred Krupp himself, made eight—enough, he resolved, to serve as a foundation for the rebuilding of the firm which, even at that age, he was determined to carry out. He spent his days working alongside his employees at the blast furnace, his nights with his mother in the office keeping accounts and soliciting new business. It was a hard school for a boy and it was not surprising that it produced the hard man whom Alfred Krupp grew up to be, a man with only a single aim and interest in life—the production and marketing of steel.

The period of early struggle, anxiety, hope—and sometimes despair—lasted for more than twenty-five years. In some weeks Alfred had to borrow small amounts of money in order to be able to pay the wages of his handful of workers. Appeals to the Prussian State for orders met with cold rebuffs. But Alfred was untiring in his efforts. Because, at that time, English steel-making processes were far ahead of foreign competitors, Alfred travelled to Britain under the name of 'Mr. Crupp', and there cheerfully practised what would nowadays be called industrial espionage. He travelled incessantly in search of new ideas—and more especially of new orders, to France, Vienna, St. Petersburg, and Warsaw. With the aid of a friend, who contributed 50,000 thalers and became a temporary partner, he installed a spoon-rolling machine, produced spoons and forks, and later obtained from the Russians an order for a complete spoon factory.

But it was the ingenuity and inventiveness of Alfred, as much as his tireless hard work, which in the end enabled him to break through and found his fortune, and, in the course of the years, a number of political factors favoured him. The establishment of the German Customs Union of 1834 threw open new potential markets, the rapid development of the Industrial Revolution and the steam engine opened up a new world of steel, and Bismarck's series of Continental wars created customers for armaments on all sides—and on all sides Alfred sought them. In the 1840s Alfred Krupp, largely as a result of his journeys to Britain, produced his first truly satisfactory crucible steel, and in 1847 he unveiled to the world a three-pounder muzzle-loading gun of cast steel.

These two events were really the prelude to the final change in his fortunes.

In 1851 the first International Exhibition took place in London in the newly built Crystal Palace—and Alfred Krupp decided that this was the occasion on which he would show to the world what his firm could really do. So beneath a gaily canopied Prussian military tent, and elegantly mounted on a mahogany base, the new Krupp Steel Cannon was exhibited, as a sensational rival to the guns of brass which were in common use at that time. In addition, Krupp astonished his rivals by exhibiting a solid flawless ingot of cast steel weighing 4,000 kilograms—more than 8,000 lb., which caused a sensation in the then small world of steel.

The exhibits of Alfred Krupp at the Crystal Palace show made him world-famous almost overnight. Orders began to come in to Essen at a steadily mounting tempo. And soon Alfred Krupp was showing that his technical ability was matched fully by his ingenuity in all the jugglery of salesmanship. When the Prussian Government stubbornly held back from ordering supplies of his new cast-steel gun, the eternal army mind preferring the brass cannons which it already knew from experience, Alfred Krupp wrote to Prince William of Prussia, who had visited the Krupp works, hinting that if he received no orders from Prussia, he could not indefinitely continue to decline orders from foreign countries which he had hitherto refused on 'patriotic' grounds. He began to receive Prussian orders. Later, shortly before the Austro-Prussian war, Alfred was asked to stop the delivery of guns to Austria. He blandly explained that it was unfortunately impossible for him to do this—but he agreed to inform the Prussian Government whenever he despatched a shipment of guns to Austria—so that they could be intercepted. He wrote a persuasive sales letter to Napoleon III only a couple of years before the outbreak of the Franco-Prussian war and at a time when Bismarck was toying with the idea of a Franco-Prussian alliance. As the firm grew he sent out salesmen everywhere (just as Alfried Krupp does today) to secure orders for his firm even in the most unlikely places. Legend has it that Alfred Krupp even sold one of his long-range guns to the republic of Andorra, which discovered only later that the gun's range was greater than the breadth of Andorra itself, so that in fact the weapon could never be fired. In the Franco-

Prussian war, Krupp rifled-steel artillery rained shells on the defences of Paris.

By 1887 Alfred Krupp had sold 25,567 big guns to twenty-one nations. He was becoming known throughout the world as the 'Cannon King'. It was a title which caused him not the slightest misgiving, in which, indeed, he took considerable pride. In the Germany of Nietzsche and Wagner there was already at that time a romantic aura to the very idea of war: the scions of good family could find no more honourable death than on the battlefield. There was no stigma attached to a man who made battlefields bloodier.

But Alfred was shrewd enough to develop his business in other directions besides that of armaments. The introduction of the steam locomotive brought vast new possibilities which he was quick to realize and exploit. He produced steel rails and the first weldless steel tyres for trains. Krupp rails ran all over Europe and they also helped build the Union Pacific and other great American railroads. The famous interlocking three rings which are the trade symbol of the Krupp firm represent three interlocking railway tyres—such was the importance which Alfred Krupp attached to this side of his firm's development.

Now at last the long period of struggle was over. Alfred Krupp bought coal and iron mines in Germany and Spain, built power, gas and water plants, and even ships. Now at last, at just over forty, he could afford the luxury even of a little personal life. In a moment of unaccustomed humanity, the Cannon King confessed in one of his letters, 'I found that where I supposed I had nothing but a piece of cast steel, I had a heart.' His gallant mother had died in 1850 and his dedicated devotion to the business had left him a lonely man. And so it came about that in May 1853 Alfred Krupp announced his engagement to a girl half his age, Bertha Eichhoff, daughter of a Rhineland tax official and granddaughter of the master-baker in the household of the Archbishop of Cologne. They were married within a month, and they made a handsome couple, for Bertha was blue-eyed, with abundant fair hair and trim build, and Alfred himself, tall and slim with a high-domed forehead and elegantly groomed black beard, was a striking figure. In the February of the following year there was born to them their son and heir, whom they named (after both his famous ancestors) Friedrich Alfred Krupp.

But Alfred Krupp's brief interlude of romance was destined to bring little lasting happiness either to himself or to his bride. Friedrich Alfred proved to be an only child and a delicate one at that, and soon after his birth Bertha herself began to fail in health. The family residence, jammed in the midst of steel-foundry and forge, was uncongenial to her. And Alfred himself was becoming, with his newly found success, increasingly domineering. Even in the early days of their marriage he was giving his wife advice about women's clothes. (In one of his letters he wrote: 'Clothes for travelling should not be decorative. The plainest dust-coloured materials are best, for they will always be full of dust which would make taffeta look very ugly and it would be very vulgar to keep brushing it off.') And his real interests were always undisguisedly in the steel works rather than in the home. Increasingly Bertha and her son began to travel in search of health, and both began to drift away from the despotic head of the family.

For just as the early days of struggle had hardened the character of Alfred Krupp, so did his subsequent success bring him an increasing degree of megalomania. By the 1880s his works were employing 20,000 men and he himself was reputed to be the wealthiest man on the Continent. He designed and planned for himself a castle fit for a king —a 'Cannon King'—in a great parkland overlooking Essen, and so the monstrous Villa Hügel was built, at a cost of between one and two million marks, the great box-like residence with its two hundred rooms, constructed of steel and stone (because Alfred feared fire) and where few of the windows would open (because Alfred feared draughts). Here he gave sumptuous receptions for Cabinet Ministers, industrialists, visiting princes, and even the Kaiser. It was a house such as might have been conceived by Orson Welles, for in it any Citizen Kane or all the Magnificent Ambersons would have been at home. But it was the house of a basically unhappy man and, as Alfred Krupp was to realize many years later, a house which never in all its existence brought any true happiness to those who lived in it.

To his workers, as to his family, Alfred Krupp was a despot— though in many ways a benevolent one. He believed that the progress of the Krupp concern depended on the well-being and enthusiasm of the men, and he was the first to build up the spirit of the 'Kruppianer', which nearly a hundred years later was to prove a priceless asset to his

grandson Alfried when the works lay in ruins after the Second World War. Alfred Krupp was a pioneer in what is nowadays known as 'labour relations'. He forestalled the Welfare State with his own version of a complete 'womb to tomb' policy which then, as now, staved off trade-unionism and averted strikes. His workers lived in Krupp houses (the first 'model settlement' was established in 1860), baby Kruppians were delivered by Krupp doctors, child Kruppians were educated in Krupp schools, grown-up Kruppians were fed from Krupp co-operative stores, provided with books from Krupp libraries, married in the Krupp church, and buried in the Krupp cemetery.

In the last years of his life, Alfred Krupp deliberately set himself to organize the works in such a way that they could run independently of his own supervision. It seemed to him a wise precaution in preparation for the time when he was no longer alive, and in view of the fact that he had no great confidence in the wisdom or powers of his semi-invalid son. But he carried out this task of making the firm run on its own momentum so successfully that he could hardly bear the result. He ended his life as a querulous and bitter old man in his echoing castle, wandering from room to room (because he feared that if he stayed too long in one room the air would become foul) and lying for weeks in bed with imagined illnesses. His end is strangely reminiscent of that of Lord Northcliffe—the elderly founder of a great undertaking lying sick in his home and petulantly bombarding his managers with notes of advice which they increasingly came to disregard. 'All I am now is a shadow with a few bones,' he gruffly told his doctors. 'All the rest is gas.' He died, aged seventy-five, rich, successful—and lonely—in the arms of a manservant, on 14 July, 1887, and his 20,000 workmen lined the road to the cemetery in which he was buried. Among those who sent telegrams of condolence were the Kaiser and Bismarck who, perhaps, realized that with the death of the 'Cannon King' something of their own era had come to an end.

No one could have been less like Alfred Krupp than the heir who now inherited what was at the time the greatest industrial empire in Europe. Alfred had been tall and virile, Friedrich was small and delicate in all his ways. Alfred had been ruthless, domineering, and direct, Friedrich was subtle and diplomatic. Alfred had had no patience with politics, pure science, or literature. ('I have no need to ask Goethe

or anyone else in the world what is right,' he once declared, 'I know the answer myself.') Friedrich was far more interested in the scientific side of the steel-making craft than in the business aspect and, against the disapproval of his father, he brought young scientists into the works whom he allowed to work free from commercial pressure. Alfred had always been healthy, Friedrich was born weak and suffered from asthma all his life. 'Alfred the Great', the workers called the father; 'Fritz' was the abbreviated name they gave the son.

Yet in his own quiet way Friedrich showed the same qualities of perseverance and tenacity that runs through all the Krupp story, and was to find its echo seventy years later when the testing time came for Alfried Krupp himself. When Friedrich had first entered the firm as a young man, he had had to suffer considerable domination by his father, who at first did not conceal his doubts about whether the young man would ever prove adequate for the leadership of the great enterprise. If Friedrich travelled abroad on the firm's affairs, he was liable to be pursued by a stream of letters bombarding him with advice and instructions. (On the week in which he came of age, father Alfred wrote to him a long letter of counsel on his future, enjoining him especially to learn the elements of finance and accountancy. 'In such matters, you must always be quite at home,' he was admonished. 'No one must be able to make you think that "x" is "y", for only so will you be safe from the danger of which I now warn you, that self-interest and intrigue are always liable to force you to relinquish control of your affairs.') Friedrich, too, had full need of his diplomacy in smoothing over the relations between the autocrat of the Villa Hügel and the senior managers of Krupp, as the invalid father grew increasingly testy in the final days of his life.

But after his father's death, Friedrich at least kept the firm together and it grew and prospered, aided, no doubt, both by the initial momentum which Alfred Krupp had given it and by contemporary developments. Thus the rapid expansion of the German Navy at that time, with its need for large quantities of armour plate and guns, brought new orders and finance to Krupp. During the reign of Friedrich, the number of workers employed by the firm increased to 45,000 and it was in his time, too, that there was established the huge steel foundry

at Rheinhausen, which was named after him the 'Friedrich Alfred Works'.

In later life, Friedrich was able to devote more of his time to personal affairs and to activities which more basically interested him. He had married in 1882 Margarethe von Ende, daughter of a Silesian aristocrat, whose upbringing had been quite as strict as his own, and who at one time had gone to England to learn the language, serving as a governess at Holyhead, the home of a British admiral named Mackenzie, on Holy Island, off the Northumbrian coast. Characteristically, the father had bitterly opposed the marriage, and had never become wholly reconciled to Margarethe, a fact which had added to the unhappy atmosphere in the Villa Hügel. To Friedrich and Margarethe in 1886 a daughter was born—Bertha, who was destined to become the heiress to the whole Krupp fortune, and the mother of Alfried Krupp.

Bertha Krupp's upbringing, like that of her younger sister Barbara, was directly in the strict and hard tradition both of the German aristocracy, as exemplified by Margarethe, and of the family Krupp. She was taught that great wealth entailed duties and responsibilities rather than great self-indulgence and her life was lived according to a rigorous schedule. When a member of the Kaiser's household, Countess Brockdorff, visited the family in the Villa Hügel, she noted in her diary, 'It was almost touching to see how hard Frau Krupp tried to dress and bring up her two daughters, lovely little girls, as simply and modestly as possible, no easy task in these surroundings.' Certainly the austerity of Bertha Krupp's own early days must have influenced her in the manner in which she was later to play her part in forming the austere character of Alfried Krupp.

Worthy woman though Frau Margarethe undoubtedly was, both as a wife and a mother, it is possible that Friedrich Krupp himself began to find the atmosphere in the Villa Hügel somewhat oppressive. For in his later years he increasingly began to take holidays abroad, and alone, and to seek relief from the cares of business and the home in his own scientific interests. He took up in earnest the study of marine biology and made friends with the founder of the Zoological Institute at Naples. Sailing in his yacht to Capri, he spent many summer holidays deep-sea fishing in the blue waters of the Tyrrhenian and making friends on the

island of the South Wind. It was one such holiday, indeed, which proved his undoing and brought about his final tragedy.

In February 1902 Friedrich paid a brief visit to Capri before returning to Germany for the confirmation of his daughters Bertha, then aged sixteen, and Barbara, fourteen. Within a few days of his return, the storm broke. A local Naples newspaper printed an attack on Friedrich Krupp, accusing him of homosexual practices, and some weeks later the charge was taken up at home in Germany by the Socialist newspaper *Vorwärts*. The whole of this affair is related in some detail in Norman Douglas's autobiography *Looking Back*, and in this book Douglas effectively defends Friedrich, whose friend he was, against the charges made at that time. But other reporters of those days were far less convinced of Friedrich's innocence. The support of those who believed in him did not outweigh the burden of malicious gossip, and Friedrich never recovered from this blow. He suffered a stroke, and died in his bedroom of the Villa Hügel in November 1902. Among those who rallied to his moral support were the Kaiser, who himself attended Friedrich's funeral in Essen and in a speech at the graveside described the attack which had been made on Krupp as 'intellectual murder'.

And so, in tragic circumstances, the empire of Krupp passed temporarily into the hands of two women—Friedrich's widow Margarethe and his sixteen-year-old daughter Bertha, the heiress to the Krupp estate. Because the management of the firm was in competent hands and because the widow Margarethe, like the Krupp women who had gone before her, kept a firm hand on the family's affairs, the Krupp empire was enabled to survive a period of interregnum lasting some four years before a new captain was found to take the helm. He arrived in the person of the dapper and determined figure of Gustav von Bohlen und Halbach, the Prussian diplomat at the Vatican, whom Bertha married in 1906 and who, one year later, became the father of Alfried Krupp. And now indeed a new era and a new régime opened at the Villa Hügel—an era and a régime which were to leave their indelible imprint on the character and career of the young master, who was to receive his upbringing in circumstances which were highly strange.

CHAPTER TWO

TRAINING OF A MASTER

ALL through that morning of 15 October, 1906, the liveried footmen beneath the high, square portico of the Villa Hügel had been bowing low to the distinguished guests. The long driveway down the hill and through the parkland was alive with carriages drawn by pairs of high-stepping horses, their heads held proudly aloft by bearing-reins. The fountains, set in the midst of lawns as green and smooth as billiard-tables, played in their great bronze basins. The Kaiser's own flag fluttered from the house-top. This was the wedding day of Bertha Krupp and Gustav von Bohlen und Halbach.

Weeks of work had gone into the preparations for this day, work not only for the hundred or more servants who formed the regular staff of the Hügel household, but even more for the mistress of the house, the widowed Margarethe Krupp, on whose shoulders fell the burden of hospitality and of protocol. This day was the culmination of her hopes. Her younger daughter, Barbara, had already become engaged to a prominent Prussian aristocrat named Baron Thilo von Wilmowsky. And now Bertha, the heiress to the Krupp fortune, at twenty was marrying a man who, although sixteen years older than herself, had not only won her sincere affection but also seemed in every way fitted to play an adequate part in the future of the Krupp industrial empire. Moreover the union had the full approval of that old friend of the family, Kaiser Wilhelm II, who was now present in person to give the couple his formal blessing.

On this day, too, the Kaiser himself was obviously in excellent humour. Forgotten for the moment were his strained relations with

his uncle, King Edward VII; forgotten was the recent tension of the Algeciras conference, where the Kaiser had tried—and failed—to humiliate France. On this happy occasion Wilhelm II felt himself to be secure among intimate friends, and he was in expansive mood. He called the bride 'my dear Bertha' and after the wedding ceremony made a speech at the ensuing banquet which is still recorded in the Krupp family archives. After paying a warm tribute to Bertha's late father as 'my dear and beloved friend', the Kaiser turned to the bride and said: 'May you succeed, my dear daughter, in maintaining the Krupp works at the level to which they have been raised, so that they can deliver to our German Fatherland in the future also those weapons of defence which both in manufacture and in performance have never been equalled by any other nation.'

After the banquet, the guests moved up to the vast, oak-panelled ballroom, with its half-hidden musicians' gallery, on the first floor of the Villa Hügel, where the Kaiser remained talking for more than two hours to a small circle of his particular friends. The other guests had to remain standing too, discreetly whispering at a distance, for no one could sit down while His Imperial Majesty was standing.

Next morning, before leaving the villa, the Kaiser issued an Imperial edict giving Gustav and any male descendants who inherited the Krupp properties the right to use the name of Krupp, so that the traditions of the firm might be preserved in perpetuity.

The Kaiser had every reason for thus giving his public endorsement of the firm's new trustee, for, it appears, he had himself co-operated with Frau Margarethe Krupp in the selection of Gustav von Bohlen as a bridegroom for her daughter. It was a choice so unexpected that, when the engagement had been announced a few months previously, German Society had been able to talk of little else. For Gustav came from a circle widely removed from the narrow milieu of the Ruhr industrial barons. He was better-born than most of them, but he had no more pretensions to wealth than the average career diplomat. He had been born in The Hague as the son of a German Minister, and he had American blood in his veins. Both his parents had been born in Philadelphia and his maternal grandfather had been that General Bohlen who had played a part in the American Civil War. (General Bohlen's brother, incidentally, was the great-grandfather of a man

well known today—Charles E. ('Chip') Bohlen, former American Ambassador to Moscow.)

Gustav himself, small and slightly built, with thin precise lips, a determined chin, neatly trimmed moustache, and the upright carriage of a former cavalry officer, looked every inch the diplomat that he was. He was as conventional in thought as he had been in his career, and indeed it may well have been the rigid limits of his outlook on life which were later to prove his undoing during the forty years of political upheaval and war through which he was to live and in which he was to make such fatal blunders.

Certainly no man could have gone through a more traditional training for high office. An education at Heidelberg University, a year's voluntary service with the second Baden Dragoons at Bruchsal, legal studies at Lausanne and Strasbourg, and then entry into the higher Civil Service. By the age of twenty-eight Gustav was in the Foreign Office in Berlin. Later he saw service both in Washington and Peking before being transferred to Italy as Counsellor to the Royal Prussian Legation at the Vatican.

Nevertheless, it was a dramatic advance in Gustav's career, for this professional diplomat of thirty-six, to find himself now the husband of Germany's most wealthy bride and the Chairman-designate (he formally occupied this post three years later) of a firm already employing some 63,000 people and with a capital then standing at about nine million pounds. And at the Villa Hügel itself Gustav now became the head of a household which was organized on a scale more grand and lavish than anything he had seen before in his diplomatic career. In the kitchen of the villa, two Chief Chefs ruled over a score of minor satellites, the house maintained its own kitchen garden, its own chicken-farm, workshops and mechanics for current maintenance, a painting shop, and stables with six or eight riding horses and four pairs of carriage horses, later to be supplemented by two or three of the latest motor-cars.

But Gustav gave no sign of being overpowered either by his domestic surroundings or his business responsibilities. To do him justice, the manner in which he tackled his new tasks was something of a triumph of will-power. He knew nothing of the business of coal and steel, he came as a stranger to a new world in which he must certainly have been eyed with curiosity and suspicion not only by the officials and

the workers of the Krupp factories themselves, but also by the whole society of Ruhr industrial barons. But 'Taffy' lost no time in setting to work with a cold and ruthless determination to master all his problems. Against the knowledge and experience of the 'old hands' of the Ruhr, Gustav pitted his diplomacy, his determination, and his personal energy, which never seemed to flag. He determined to make himself the master of Krupp in his own right—not only by marriage—and his 'Bible' was the life and the example of Alfred Krupp the Great. He drove himself as hard as Alfred had done and he made the same exacting demands on everyone around him. He lost no time in making himself acquainted with the details of the work of the Krupp factories and offices. And he lost no time either with his duties as the founder of a new family. His son and heir, Alfried Felix Alwyn Krupp von Bohlen und Halbach, was born on 13 August, 1907, ten months after his marriage had taken place. Alfried was the first of eight children born to Gustav Krupp, though a second son, Arnold, born in 1908, died when only a few months old. At the time of Alfried's birth, the total value of the estate which he would some day take over was estimated at 283,000,000 gold marks.

The christening of Alfried, the son and heir, gave occasion for a new day of celebration at the Villa Hügel, a festivity which was as lavish in character as the wedding of the parents had been, and even more meticulously organized. With veritable military precision Gustav himself worked out in advance every detail of how the christening day should be run. A programme printed in advance detailed the exact order of ceremonies. There was a list of the privileged people who were to be admitted to the christening itself, in the first floor salon. The menu for the banquet and the seating of the guests were carefully ordained, and once again the Kaiser lent glamour to the occasion by consenting to act as godfather to the child. A few days previously Gustav himself had sent a triumphant telegram to the Krupp Board of Directors announcing in characteristic terms the arrival of the heir. The telegram ran as follows:

Hügel, August 13, 1907, 2.15 p.m. To the Directors of Fried. Krupp, Essen.

I hasten to inform the Directors at the first opportunity also in the name of my wife that a vigorous boy has just been born to us to whom

in memory of his great ancestor we shall give the name of Alfried. May he grow up in the midst of the Krupp establishment and prepare himself by his practical work for the important task of taking over those responsible duties, the high significance of which I realize more and more every day.

The year of Alfried's birth was indeed a great one both for his father and for the firm of Krupp. It was in that year that the Germania Werft in Kiel launched its first U-boat, regarded at the time as a remarkable triumph of German engineering. In the same year Krupp's first electric steel-making plant came into commission.

Gustav himself was indefatigable in learning his new job and planning new developments. He went tirelessly through factories and works and managers' offices, always with a little notebook in his hand. Sometimes he would flabbergast a work's official with a question extracted from his notebook which had been noted down weeks previously and which it had been supposed that 'Taffy' had long since forgotten. He pored over documents day and night and he organized his whole life and that of his household in an astonishing way to achieve what appeared to him to be the maximum efficiency. To prevent visitors to the Villa Hügel wasting his time by staying longer than necessary to conduct the business in hand—and also for reasons of that economy and parsimony which were an integral part of his character—Gustav deliberately kept the temperature inside the house at a minimum. Even in the coldest weather the thermometer was never allowed to rise above 18° Celsius (64° Fahrenheit), and in his own office in the Krupp administrative building the temperature was never above 13° Celsius (55° Fahrenheit) even in the midst of winter. Business discussions were kept brief, curt, and strictly to the point. No one was encouraged to make any remark not immediately affecting the matter in hand. To give himself exercise without wasting time, Gustav in his earlier days had a riding horse brought to the door of the Villa Hügel by a groom every morning and rode through his park to the office. Later the horse was replaced by that new-fangled gadget, the automobile, and then the chauffeur was instructed to wait outside the house with the engine running so that when the master had entered the car no needless time should be wasted in starting the engine. Gustav's sense of orderliness impelled him to keep a check on every

detail, even of his own personal life. When he made a long-distance call on the telephone, he kept an eye on his own watch and never failed to make his secretary check the exact number of minutes booked by the telephone operator. At the end of every day he worked out to the last penny the amount which he himself had spent. And, despite the luxury of the surroundings in which they were served, meals at the Villa Hügel, when no guests were present, were kept on a level of extreme frugality.

Such was the atmosphere of the home in which the young Alfried Krupp grew up. And just as his father did not spare himself, so he imposed a life of almost monastic strictness upon his children. The developments and achievements of each of Gustav's offspring as he or she grew up were carefully noted in a family record book. One of the first entries in this album, now carefully preserved among the Krupp historical documents, notes, 'When he was only one year old, Alfried was already able to stand up in bed.' It is recorded, too, that Alfried measured 22½ inches at birth, and his subsequent growth year by year is entered every year up until 1928 when Alfried was twenty-one and his height was just over six feet.

From the first Gustav determined that Alfried must have the upbringing which would suit him for the responsible role which he would play sooner or later as the head of the Krupp empire. A French governess was engaged to give private lessons to the little boy and in fact Alfried spoke fluent French before he could speak German, since French was the language of diplomacy and of international affairs at a high level. Day after day it was hammered in to the little boy that wealth was not a reason for self-indulgence but was a heavy personal responsibility, that he was the heir and would some day be the administrator of a great inheritance and that his duty above all else was to the firm of Krupp which his forefathers had built. Self-discipline, self-restraint, and concentrated effort to a single end were maxims in the Villa Hügel and this early training has undoubtedly left an indelible mark on Alfried Krupp as he is today.

There was little enjoyment or spontaneity about childhood in the Villa Hügel. Alfried himself had, as his approximate contemporaries, his brother Claus who was born in September of 1910, his sister Irmgard, born in May 1912, and another brother Berthold, born in

December 1913. Later two other brothers, Harald and Eckbert, were born, in 1916 and 1922 respectively, and a second sister Waldtraut was born in 1920.

For all the children, however, life at home was very much like life in an institution. Their father Gustav, in his meticulous way, drew up an exact schedule for their lives and activities covering virtually their whole day. The schedule laid down the times the children had to get up, the hours of their meals, the precise curriculum for six hours a day of lessons and the forty-five minutes of riding instruction which every child had to receive. Even the riding period was not exactly gay. When Alfried went out on his mount a groom always followed one horse's length behind correcting Alfried's equestrian faults. 'Herr Alfried, keep your head up' or 'Herr Alfried, keep your heels down'—the injunctions followed loudly and continuously.

Alfried and his brothers and sisters spent most of their days with teachers or with servants—and all the hundred servants of the Villa Hügel had instructions to report to Gustav any misdemeanour by one of the young people. The children saw almost nothing of their parents. Once a day, from exactly 5 p.m. to 6 p.m., they were scheduled to visit their father—whether they wanted to or not. It was Alfried Krupp himself who, when I saw him in Essen, commented with characteristic understatement, 'It is true that life in the old house was not very personal.' When I asked him to enlarge upon that point he said, 'Well, you see, my parents had guests for either lunch or dinner about ten times a week. We children, of course, did not attend these meals, at least until we were about twelve years old. Then, when we had reached that age, we were sometimes allowed to come in and sit at the very end of the table. Of course we were never allowed to say a word. So we were not very eager to attend these parties.' Herr Krupp had explained that the children at the Villa Hügel had never been allowed to fight or laugh out loud or shout but, almost as if in extenuation, he added to me, 'You see, my parents were always very busy. My mother had the household and all the social things which she had to take care of, and my father of course was always occupied with the firm.'

The more I heard about the youth of Alfried Krupp the more it seemed possible to understand something of his character as it is today, for his youth, it seemed to me, had been a youth without true

youthfulness and his home had been one in which there had been much—indeed almost incessant—talk of loyalties, but virtually none of love. Human feeling was not something to be recorded in the books of Krupp accountancy.

One of the most bizarre experiences of Alfried Krupp as a child must surely have been his participation, at the age of five, in the elaborate and indeed fantastic celebrations of the centenary of the House of Krupp in 1912. This was an occasion on which Gustav, normally an unromantic and unimaginative man, determined that he would vie with Alfred the Great himself in planning on a grand and magnificent scale. The result was both titanic and Teutonic. To anyone with the faintest gleam of a sense of humour it might also have seemed somewhat ridiculous. But neither humour nor self-criticism were qualities in current circulation at the Villa Hügel and so it came about that plans were pushed forward energetically for the presentation of the greatest and most spectacular pageant which the Ruhr had ever seen in modern days. It was to commemorate the qualities of courage, chivalry, and gallantry which were assumed to have characterized the House of Krupp since its foundation, and it was given the picturesque title of 'Hie, St. Barbara! Hie, St. Georg!' ('Lo, St. Barbara! Lo, St. Georg!') The inspiration for this title, it should be explained, came from the fact that St. Barbara was considered as the patron saint of gunners while St. George, of course, was the emblem of knighthood and chivalry. The point of the pageant was to show how the ancient arts of knighthood had, in course of time, been replaced by the modern weapons of the Ruhr, while the principles of honour and courage remained unchanged. The spectacle was to include the staging of a medieval tournament in the old knightly tradition, complete with knights mounted on heavy Belgian horses, genuine armour and weapons and also genuine jousting—even at the risk of one of the knights falling off his horse in his heavy armour and breaking his neck. Noble German ladies were to participate, clad in flowing medieval robes and with their hair falling low in Wagnerian plaits. More than a hundred people were scheduled to take a leading part in this pageant, and artists, designers, decorators, and dressmakers from miles around the towns of Essen and Düsseldorf were mobilized to contribute to the preparations.

Parts were specially written into the pageant both for Gustav and for the little boy Alfried himself. Alfried, mounted on a little grey pony and clad in a red and brown jerkin, wearing a crown of flowers on his head, was rehearsed for days beforehand so that, although only five, he might give an unblemished performance. He was due to appear in the second scene with his father who, his diminutive figure clad in an enormous suit of heavy armour which almost completely hid him from view, was to represent the ancient German hero Count von Helfenstein. The lines written for Gustav, which he was to deliver from horseback and from within the depths of his suit of armour, ended with a salute to the spectators of honour, His Majesty Kaiser Wilhelm II and his wife Bertha. They ran:

> Your Highness, Long Live your Empire!
> This is the jousting-place, dear Bertha,
> On which I shall ride before you and before the Kaiser:
> I ask now for your blessing, dearest.'

The stage directions then read, 'She gives him her scarf: he kisses her hand.'

'Thank you!'

And the stage directions then indicated the great moment for the first appearance in the public eye of Alfried Krupp von Bohlen und Halbach with the words, 'He rides with the small boy once up and down.'

But, alas, the great moment for little Alfried's dramatic entry never came. The three days of celebration, to be sure, began as had been so carefully planned. The Kaiser arrived and little Alfried was for the first time formally presented to his godfather. Accompanying the Kaiser were the Chancellor, von Bethmann Hollweg, several members of the Government and even the Naval Secretary of State, the celebrated von Tirpitz himself. Other guests came from all over the world—from America, Britain, France, Australia, China, and Japan. In a great banqueting hall which had been erected in the park near to the Villa Hügel itself several thousands of the Krupp workers assembled for festive gatherings. Bands played, banners flew, there were speeches and toasts and general congratulations.

One of the most flowery pieces of oratory came from Dr. Alfred Hugenberg, the former Treasury official who was to make a great name for himself in German politics, and was to help Hitler to power, but who, at that time, was temporarily a member of the Krupp administration. Addressing himself to Wilhelm II, he dramatically declaimed, 'Your Kaiser's eye gazes once more upon us and proudly follows the victorious course of our industrial enterprise. . . . To the virtues of our people, which must be preserved if it is to remain young and energetic, belong also the old Germanic valour and love of arms.'

On the third day the programme which had been so carefully planned by Gustav Krupp provided for a further banquet to take place in the tower of the Administrative building of the firm which, because it was the scene of all official hospitality, was irreverently known to the workers as 'Starvation Tower'. The preparations for the pageant had been completed and the banquet was in full progress when a totally unexpected event occurred. Somebody brought in a message to one of the members of the Government: a pit disaster had occurred at one of the Ruhr coal mines—not one of Krupp's—and more than eight hundred miners had lost their lives. The news came as a blow to the festive party and it was considered impossible to continue the celebrations. The pageant was cancelled at the last moment, the guests dispersed sadly and Alfried took off his crown of flowers and went back, a disappointed little boy, to his governess.

The centenary celebrations had been the only interlude of recreation in the strenuous and formidable activities of the firm of Krupp which immediately preceded the First World War. For, as with Alfred in the days of Bismarck so now with Gustav in the time of Kaiser Wilhelm II, the destinies of Krupp were once again intimately linked with the course of German history.

In a short half-century Germany had gained wealth and power. The restless virility of her people, the ingenuity of her chemists, the coal of the Ruhr and the iron of Lorraine all contributed to put her on the road to becoming Europe's greatest industrial nation. To the Kaiser, nursing his withered arm and his colonial grievances—and indeed Germany had arrived too late on the scene to take part in the great days of colonial expansion of Britain, France, Holland, Spain and Portugal—it seemed intolerable that the strength of the new Germany should be inadequately

recognized abroad. To the Kaiser's own vanity and ambition were added the pressure and propaganda of such organizations as the German Naval League and the Colonial League, both of which rendered obvious services to the manufacturers of arms. Thus the creation of a vast new armament for Germany became almost inevitable, as did the Kaiser's final challenge to Britain, his announcement of his intention of building a great new navy.

Inevitable, too, was the association of Gustav Krupp with the Kaiser in these new enterprises. Even in 1906 when Gustav joined the Board of Krupp he found already there a personal representative of the Kaiser in Admiral von Sack, and in that very year the firm undertook one of its major enterprises for the rearming of the German Navy—the launching by the Germania yard of 'U–1', the first German submarine, for which the Reichstag had approved an expenditure of one and a half million marks. Almost simultaneously the appearance of a startling new weapon of war, the successful airship produced by Graf Zeppelin, provided the fertile mind of Gustav with a new opportunity for arms development. For, if the birth of the Zeppelin opened up the way for armed attack in future to come from the air, then it obviously also entailed the need for a new defensive counter-weapon. Thus the first effective anti-aircraft guns were launched by Europe's new 'Cannon King', proudly displayed by him to the world at the International Air Exhibition in Frankfurt-am-Main in 1909, and impartially sold by him to any of Germany's potential enemies who might seek to buy them. But it was, of course, in the armour-plating of the German Navy's great new dreadnoughts and in the provision of guns for the navy and army that the personal involvement of Gustav Krupp in the preparations for the First World War was most direct. In this respect sensational charges were made against him by one of Krupp's own directors, Dr. Wilhelm Mühlon, who, in the summer of 1914, resigned from the firm, went to Switzerland and there made the public allegation that Gustav Krupp had, six months before the outbreak of war in August 1914, received confidential information from Berlin that war was impending and had thus been enabled to reorganize the production lines of his factories accordingly. These allegations were subsequently denied on oath by Gustav.

But Alfried, studiously following the daily routine prescribed by his

father and docilely obeying the counsel of his governess, can, of course, have known nothing of such matters. His thoughts were concentrated on his daily lessons, his riding, the stern routine of the home rather than on the sensational new products of the family firm. These, later, were to include the famous 42-cm. gun nicknamed 'Big Bertha' after his mother, which had a range of nearly nine miles with a projectile weighing 930 kilograms, and with which the German Army was to smash the forts of Liège and clear the way for its advance into Belgium and France. (The same name was also applied later by the Allied Press to the German gun which shelled Paris from seventy-five miles away—but this was a subsequent Krupp development.)

Nor was the five-year-old Alfried affected by the further great move forward in Krupp history initiated by Gustav in 1912 with the promotion of stainless steel, which opened up a new era for steel users. Suffice it then to say that by 1914 the firm of Krupp over which Alfried's father now ruled was employing nearly 80,000 men and that its profits during the course of the First World War have been estimated at some forty million pounds. At the height of the war, the crucible steel plant of Krupp alone was employing some 115,000 men to meet the needs of the German war machine.

Alfried himself was twelve before he had his first real contact with the industrial empire which he was later to rule. In 1919 his father took him on his first tour of inspection of a Krupp steel plant. And in the same year he was sent for the first time down the Hannibal coal mine, so that he could see for himself the conditions under which coal was obtained. Later, a tutor took him to the iron ore mines in Siegerland.

Alfried's contact with the world of Krupp, however, came several years before his contact with the outside world, for he continued to be educated at home by a private tutor until the year 1922, when he was fifteen. Thus Alfried heard only indirectly of the great events in Germany immediately following the end of the First World War which had left his country battered and disillusioned—of the dismantling by the Allies of the Krupp plant ('never to rise again,' they said) when some two million machines and tools were destroyed and half the Krupp steel-making capacity was taken away, of the establishment of the Weimar Republic, the Kapp *Putsch* in Berlin, and the financial chaos of inflation. He was, indeed, only sixteen when in 1923 the French troops

re-occupied the Ruhr and the Germans, in retaliation, launched their campaign of passive resistance. On 1 May, 1923, Alfried's father was arrested by the French occupation authorities as one of the ringleaders of the resistance movement and a French military tribunal sentenced him to fifteen years' imprisonment and a fine of one hundred million marks. The sentence came as a shock to the family at the Villa Hügel, but, as Alfried heard it discussed by his mother and his brothers and sisters, he little dreamed that, a quarter of a century later, history would almost exactly repeat itself, with himself as the central figure. For (as with Alfried after the Second War), Gustav never served the full sentence which had been imposed on him. He was released the following October and was able to set to work to rebuild once again the firm of Krupp on what he declared was going to be a strictly peace-time basis. Not guns and shells, but locomotives, trucks, and agricultural machinery would be the products of Krupp for ever more, Gustav declared to the watching world, which was no more completely reassured by this declaration than were people after the Second World War when Alfried himself gave similar, if more sincere, assurances.

Alfried's first experience of an ordinary school, in 1922, took place at the Realgymnasium of Essen-Bredeney, the construction of which had been financed by his father. His arrival at this school was one of the first of life's ordeals which young Krupp had had to face, for his reserved bearing, his aristocratic speech, and his slightly over-smart clothes made him an easy target for the disrespectful wits of the popular boys' school. In his early days at school Alfried was liable to be greeted by his comrades with an over-emphatic slap on the shoulder and the ironic question, 'Well, Krupp my boy, what are they doing up at your scrapheap these days?' Alfried, so it is said, was studious and serious and something of a teachers' pet. But at this school, which was his first contact with the outside world, Alfried also gave his first demonstration of the two qualities which have since carried him so far in his life—urbanity and tenacity. He bore teasing with equanimity, showed himself to be a good sportsman by becoming captain of the school's rowing team, and a generous benefactor by paying for most of the team's expenses. To prove that, despite his aloof appearance, he was nevertheless a 'regular guy', he went the rounds, with his companions, of such pleasure resorts as the night life of Essen had to offer. Sometimes he even invited his

school friends up for hospitality at the Villa Hügel, though this was something which neither the host nor the guests particularly enjoyed. A letter from one of Alfried's friends written at this time and subsequently quoted in the weekly German newspaper *Der Spiegel* recorded: 'The meals are the worst part of it. As soon as you get anything on your plate a lackey comes up and snatches it away. If you don't want to go hungry, you have to eat so fast that it hurts your teeth.'

Alfried stayed at the Realgymnasium for three years and at the end of this period he graduated from it with high marks. A month later he started work as an apprentice in the training workshops of Fried. Krupp, riding to the works early every morning on a motor-scooter which was one of the more peaceful products of the firm. Standing beside his comrades at the benches he learned the arts of the foundry, the fitting shops and the lathes. Like the other apprentices he received twelve pfennigs an hour for his work and the time card which he punched up daily was regularly studied by his father to see that young Alfried was doing his duty. Although he had to leave the Villa Hügel at six o'clock every morning, Alfried was invariably on time—only once did his name appear on the list of apprentices who were late—and as a reward his father gave him a small allowance in addition to his meagre pay.

When he had gone through this routine for more than six months, it was decided that Alfried should study steel-making in a scientific manner, and he was sent to the Technical University of Munich for a year, then to the Technical University of Berlin-Charlottenburg, and finally to the Technical University of Aachen, regarded at that time as the top institute of its kind in Germany.

Alfried both worked hard and played hard. His passion at that time—as indeed it is today—was high-speed motoring, to which he devoted much of the allowance which he received from his father. During his period in Munich he drove a red Simson sports car and later at the Technical College in Aachen he was often seen speeding through the streets in an Austro-Daimler. But Alfried was far too industrious, and perhaps had far too much respect for his father, to allow his recreations to interfere with his work. In 1934 he took his final examination as *Diplomingenieur* and passed out successfully from the Aachen college, well versed now in the basic knowledge of virtually every branch of the activities with which his life was to be concerned. Only one thing was

lacking and that was experience on the financial side of business administration. To remedy this lack Alfried's father sent him to work for six months in 1935 as an unpaid employee at the Dresdner Bank in Berlin.

Alfried was now a tall, slim, and handsome young man of twenty-eight and while he had been devoting the previous ten years of his life to his professional studies, Germany had been undergoing another revolution. Living in such centres of National-Socialist activity as Munich and Berlin, and mixing daily with ardent students who fervently discussed the political situation, it was inevitable that Alfried, too, should be caught up to some extent at least in the bitter controversies which Hitler had brought to Germany. During his time at Aachen he had in 1931 been induced to join a new organization called the *Schutzstaffel* (SS), Hitler's bodyguard, to which he paid a membership fee of ten marks a month, but there is no evidence that in those early days he was paying any great attention to politics, or that he participated very actively in the promotion of the Nazi Party. The problems of politics were to be posed for him far more acutely a year or two later after he had, in 1936, formally entered the firm of Fried. Krupp as a loyal associate of his calculating and ambitious father.

The year 1935 virtually saw the end of Alfried's youth and he spent a brief period—never experienced before and never to be enjoyed again—as an international playboy. With his gleaming sports car he was seen at many of Europe's smart pleasure resorts—at the Berlin races, in Paris, at Estoril in Portugal. In the course of these pleasurable activities Alfried met the daughter of a Hamburg importer, named Anneliese Bahr, and eventually became engaged to her. His father grumpily opposed the marriage on the grounds that Anneliese was not the type of girl who fitted in to the traditions of the great women of Krupp history. But for once Alfried went against the wishes of his father. He married Fräulein Bahr in 1937 and his son Arndt—who was to be his only son—was born in 1938. But it seems that in the end Alfried came to realize that, after all, his father had been right for, shortly after that, there was a divorce and Anneliese's name was never to be heard of again. It is nowhere to be found in any of the official biographies of Alfried Krupp issued by the historians and publicists of the firm. Officially, she no longer exists.

There was one further brief period of apprenticeship before Alfried officially entered the firm. He spent the time between November 1935 and September 1936 working at the head administration of the Krupp firm, for orientation purposes.

And so the training of the master was now complete and Alfried was at last ready to play his own personal part in history. On 1 October, 1936, he was formally installed as a deputy director of the firm of Fried. Krupp; and, ironically, his first post was in a department which in those days was never publicly spoken of. He began his career as assistant to the head of the department of raw material and artillery development, Dr. Griessmann. The race for Nazi rearmament was in full swing. The firm of Fried. Krupp had been committed up to the hilt by Alfried's father, both to the National Socialist Party and to rearmament, and it was not to be long before Alfried realized that, for better or worse, he was equally committed himself.

CHAPTER THREE

FATHER AND SON

As far as the secret rearmament of Germany was concerned, Alfried Krupp's involvement had begun long before he himself had even known about it—while he was still a schoolboy at the Essen-Bredeney Gymnasium. For it was already in those days, immediately after the First World War, that Alfried's father had resolved, by hook or by crook, to put the firm back on its feet again some day as the world's leading armament producer. Twice in the history of Krupp—so the reasoning apparently went in the ambitious and scheming mind of Gustav—the firm had been made great by guns. And by guns it would be made great again.

The state of ferment and confusion in which the end of the First World War found Germany, and in particular the menace of Communism which hung over it, no doubt seemed to Gustav to open up vast new possibilities for intrigue. Perhaps one must grant him the virtue of prescience in his apparently confident assumption that, if the Kaiser's Germany had been replaced by the Weimar Republic, that 'liberalistic' edifice might itself eventually give way to a régime more suited to the needs of a 'Cannon King'. As, indeed, it did.

In February 1925 the Socialist President Ébert had died and been replaced by the veteran warrior, Marshal Hindenburg. Four years later came the death of Dr. Stresemann, and with it the end of his efforts for European co-operation. That same year saw the Wall Street crisis, which brought in its wake disaster to the banks of Austria and Germany. By 1932 unemployment in Germany had reached the terrifying figure of seven million. From the ranks of these unemployed and discontented men, and from those of professional men who had been ruined by

inflation, came the people who responded enthusiastically to the call of Adolf Hitler. By the beginning of the 1930s it was clear that a new time of decision was impending for Germany. It was the moment for which Gustav Krupp had been waiting, the time when new calls were to be made on those who could help to make Germany strong and defiant—again. Only in later years did it become known to what extent he had prepared to meet the call for a new rearmament of Germany as soon as that call should come.

It is necessary to recall briefly what was done by Gustav in this field of secret rearmament between the two wars because much which happened to Alfried subsequently was the direct result of it. When Alfried entered the firm in 1936, he stepped into an inheritance of twenty-five years of plotting and planning by his father. The record shows that, as a dutiful son, he followed in his father's footsteps without any manifest misgivings and certainly without any open protest. But any other course would surely have been highly unexpected from a pupil who had graduated from the Villa Hügel and was the product of a training which had been devoted to the single end of hammering in one lesson—that the well-being of the firm of Krupp was virtually the only reason for existence.

A devastatingly clear picture of Gustav Krupp's work between the wars emerges from the documents which are still on the files—though some have even yet never been published—which were collected by the American investigators preparing after the war for the trial of the Krupp directors.

Most damning of all the documents was perhaps the famous article, 'Plant Leaders and Armament Workers', which Gustav himself was incautious enough to allow to be published in the Krupp works magazine in 1942 at the height of the war. This was a frank, indeed boastful, account of how he, Gustav himself, had, after the First World War, apparently in the face of some opposition from other directors of the firm, secretly prepared for the rearmament of Germany by Krupp and had hoodwinked the Allied Investigating Commissions. Written in a characteristic tone of second-rate rhetoric, Gustav traced the history of the firm from the time when he had entered it and when, as he says, 'the sapling which was once planted by Alfred Krupp had grown to be a formidable tree, whose branches and twigs were spreading far. I

stepped in under their protective shade and learned that a century of Krupp tradition had already borne prolific fruit.'

Dealing with his own role between the wars, Gustav recalled that in 1919 the situation had seemed hopeless, but that he himself had been among those who had always firmly believed that a change would come. He had therefore determined that 'if Germany should ever be reborn the Krupp concern had to be prepared again'. The machines were destroyed, he recalled, the tools were smashed—but the men remained, in the construction offices and workshops, who had in happy co-operation previously brought the construction of guns to 'its last degree of perfection'.

Gustav's article continues:

Their skill had to be maintained by all means, also their vast funds of knowledge and experience. The decisions I had to make at that time were perhaps the most difficult ones in my life. I wanted and had to maintain Krupp, in spite of all opposition, as an armament plant, although for the distant future. I could talk freely only in a very small and intimate circle about the actual reasons which induced me to follow my intention, and adapt the plants for a definite type of production. Therefore I had to expect that many people would not understand me, that I would perhaps be overwhelmed by ridicule, which was actually the case. But I never felt the inner necessity for all my deeds and actions any more strongly than I did in those fateful weeks and months of 1919 and 1920. Just then I felt myself drawn strongly into the magic circle of a firmly established works community. . . .

Without arousing any commotion, the necessary preparations were undertaken. Thus, to the surprise of many people, Krupp began to manufacture products which really appeared to be far removed from the previous work in an armament plant. Even the Allied snooping commissions were duped. Padlocks, milk cans, cash registers, track repair machines, rubbish carts and similar small things appeared really unsuspicious, and even locomotives and automobiles gave an entirely 'civilian' impression.

After the assumption of power by Adolf Hitler, I had the satisfaction of being able to report to the Führer that Krupp stood ready, after a short warming-up period, to begin the rearmament of the German people without any gaps of experience. . . . After that I was often permitted to accompany the Führer through the old and new workshops and to witness how the workers of Krupp cheered him in gratitude.

Everything was done in those days by Gustav to allay suspicion and conceal from the Allies his true activities and intentions. Even the famous 'Big Bertha' gun which had shelled Paris was carefully preserved and cunningly concealed on the Krupp premises. The giant cannon was up-ended, its long barrel was surrounded by a circle of bricks, and the whole thing was given the appearance of being just one more of the innumerable Krupp factory chimneys. To guard against the possibility that snoopers, prowling with cameras inside the Krupp works, might, even inadvertently take a photograph of one of the Krupp secret processes, visitors were invited, after their tour of the works, to partake of refreshment in a special canteen of the Krupp administrative building. Only years later did Allied investigators discover that this room was alive with infra-red rays designed to fog the film of any cameras which might be taken into it.

According to the Nuremberg indictment, the manufacture of tanks by the Krupp firm had begun already in 1926 (when Alfried was only nineteen and was a student at the technical college in Munich); intensive research was carried out on naval rearmament and in 1929 remote control of naval fire was demonstrated secretly by Gustav to the German authorities. Experimental work on rocket designing had begun as long ago as 1930.

When the vigilance of Allied Control officials grew too inconvenient Gustav brought in new firms to redress the balance of the old. Raw materials came to him through secret associates in Holland. In a particularly useful coup he exchanged Krupp patents and licences for shares in the Swedish arms firm of Bofors, who were then happily able to carry on developments of Krupp techniques under the advice of Krupp engineers, a fact which in neutral Sweden led to questions being asked in the Swedish Parliament in 1929.

A special 'Intelligence Department' was established in Essen, where experts read military and technical periodicals from all over the world and combed them for the latest news of arms production so that the Krupp engineers could be kept thoroughly up to date.

But, while Gustav's commitment to the cause of armaments was a whole-hearted one, the love-affair which developed between him and the National-Socialist Party was, in its early stages, more than a little reluctant. Perhaps this is not surprising, for by birth, upbringing,

and tradition, Gustav von Bohlen und Halbach, the capitalist, the aristocrat, and the fervent supporter of the Kaiser, was temperamentally far removed from the rabble-raising clamour of the brownshirts. Both his faith and his friends were to be found in the circles of heavy industry, high finance, the *Stahlhelm* (German Association of Ex-servicemen), the Army—and old President Hindenburg. So in the early days of Hitler's rise to prominence the conversation which Alfried would have heard about him in the family circle at the Villa Hügel is likely to have been sceptical and filled with mistrust. Gustav was a snob, who like other German snobs regarded Hitler in his early days as an upstart. Both before and after Hitler came to power, Frau Bertha Krupp never referred to him in any other terms than the patronizing phrase 'that certain gentleman'. Thus Gustav's conversion to the Nazi cause was gradual; it did not come until he had assured himself that Hitler was obtaining the support of the men he most respected, of the Ruhr industrialists, of German Army circles, and even, as it appeared in the latter stages, of President Hindenburg himself. Once Hitler had won the support of these circles, in his dual capacity as an antidote to Communism and as a man who would bring about the rebirth of Germany's armed might, then and only then did Gustav feel that the time had come to give the Nazi leader his enthusiastic—and indeed almost abject —support. And Alfried, young, fresh from his studies, and filled with both ambition and ability, was pressed into service for the cause. There is no evidence that he offered any resistance. 'My company, right or wrong' had been the creed of the Krupps through generations and was maintained from the head of the firm down to the most junior 'Kruppian' among the workers in the factories.

And thus it came about that on 20 February, 1933, Gustav took leave of his wife and his son and travelled to Berlin for what was to be one of the most decisive meetings of his life. It was a conference summoned in the office of the Reichstag President of about twenty-five of Germany's leading industrialists, including, in addition to Herr Krupp, four directors of the I.G. Farben Company, and Albert Vögler, chief of the powerful Vereinigte Deutsche Stahlwerke. Gustav Krupp, as President of the Reich Association of German Industry, was the spokesman of this party.

As the group of German industrialists sat around the great conference

table waiting for the appearance of Göring, their official host, they were greeted first by Dr. Schacht, as Germany's top economic expert, and then by Adolf Hitler himself. The Führer came into the room and went round the table shaking everybody by the hand, before the conference settled down to business.

It was just before the elections of 5 March, 1933 (those decisive elections in which, as a result of the Reichstag fire, the Nazis secured a narrow coalition majority and at last came to power). And the purpose of the conference was simply to secure for the Nazis increased financial support from German industry. Hitler, as it became apparent later, was there to solicit the sum of three million marks as a fighting fund for the election. To this end, the Führer emphasized that the real objective of the Nazis was to destroy the parliamentary party system and restore the power of the Wehrmacht. He made it clear that, if the elections went against him, he would seize power by force. And to lend further weight to the plea for funds Göring bluffly intervened that the sacrifices demanded from the industrialists would no doubt seem less heavy to them if they realized that the elections on 5 March would 'certainly be the last for ten years to come and possibly for a century'.

A brief record of this meeting, in the form of a memorandum written by Gustav Krupp and dated 22 February, was among the papers found at the Villa Hügel by Allied investigators after the war. In this memorandum Gustav noted that at the end of Hitler's speech it had been he himself who had risen to thank the Führer on behalf of the assembled industrialists.

The faith of Alfried Krupp's father was rapidly rewarded. In April 1933, with Hitler firmly installed in power, Gustav, in his capacity as head of the Reich Association of German Industry, was entrusted with the task of bringing the country's industrialists into 'agreement with the political aims of the Reich Government'.

And now the family Krupp was fully committed to its new National-Socialist partner, and immediately Gustav began writing the series of obsequious letters to Hitler which were to make such embarrassing reading during the Nuremberg Trials. On 4 April, 1933, less than a month after Hitler had come to power, Gustav was writing, on the writing paper of the Berlin office of the Reich Federation of German Industry:

Dear Herr Reich Chancellor,

I wish to express my gratitude to you for the audience you granted me on Saturday, although you are so extremely busy these days. I welcomed this opportunity all the more because I am aware of new and important problems which as you will understand in my capacity of chairman of the Reich Federation of German Industry I shall be able to handle only if I am sure of the confidence of the Reich Government and in particular of your confidence in me . . .

And Gustav asks Hitler to name the man with whom he should deal in his future negotiations about the reorganization of German industry.

Now there was no holding Gustav in his new Nazi enthusiasm. By August he was issuing a general instruction to all German factories ordering the introduction of the Hitler salute. And within a few months he had finally drawn up the plan which was to ensure that each branch of German industry should be placed under the authority of a responsible leader, to make certain that orders given by the Nazi Government should be properly executed and that the transition from a peace-time to a war-time economy for Germany could be painlessly carried out.

In a confidential letter accompanying the final draft of this plan, Gustav Krupp wrote that the scheme which he submitted in the name of the whole organization was 'characterized by the desire to co-ordinate economic measures with political necessities, in full conformity with the conception of the Führer of the new German state'. And in another embarrassing paragraph Gustav wrote, 'The evolution of political events corresponds to the desires which I myself and the council of administration have cherished for a long time.' Gustav's proposals were adopted in 1934. The former Association of German Industry became the semi-official 'Reichsgruppe-Industrie', a body with which his son Alfried was also to be closely associated.

And from now on the destiny of Krupp and the destiny of Hitler were bound up together, for better or for worse, until the end. They were even oddly associated in the great 'Purge' of 30 June, 1934. For only three weeks before the purge, the storm troop leader, Ernst Röhm, sent the chief of his political office, Gruppenführer von Detten, and a number of his officers, on an unexpected visit to the Krupp works in Essen. There, they toured the factories and took the occasion to assure the thousands of Krupp workers who welcomed them, that their welfare

was under the constant supervision of the storm troop leadership. This move appears to have been one of the actions of Ernst Röhm in canvassing for popular support which must have first made Hitler alive to the plot which was being hatched. At any rate it seems more than a coincidence that Hitler himself thought the moment opportune to pay his first visit to the Krupp factories—on 28 June, only a day before taking off from the Rhineland for his final show-down with Ernst Röhm and his supporters. Was Gustav Krupp in the know about the coming clash? That is certainly something which history will never relate.

And now events began moving fast for both Gustav and Alfried Krupp. In December 1934 the firm of Krupp was able to report that 'it had earned a modest profit after a long period of crisis'. In 1935, Alfried, now twenty-eight, after a short period in the Berlin office of the Dresdner Bank, came in the autumn to work in the Krupp administration and found it humming with new activity and vigour. Germany's rearmament was public property now. Sir John Simon and Mr. Anthony Eden had visited Berlin to hear of Hitler's insistence that he must have an army of 55,000 men and a fleet up to the strength of thirty-five per cent of the British Navy. Military conscription had been reintroduced and Göring had announced the rebirth of the Luftwaffe. The German Army estimates had been increased by no less than 357 million Reichsmarks—and a lot of this money was to come to Krupps.

Alfried had a close-up view of Hitler when in March 1936, twenty days after the Germans had entered the Rhineland, Hitler visited the Krupp works again to receive their congratulations on this new German achievement. At four o'clock in the afternoon all the sirens of the Krupp works sounded and workers and factory officials stood together for a moment in silence to 'hold inner communion' with the Führer, as one contemporary writer put it. It was stated that on this occasion 'tears streamed from the eyes of Gustav Krupp'.

Another close-up view of the Nazi régime, which he was now pledged to support, was obtained by Alfried in the following year when his father sent him and his brother Claus to attend the annual Nazi Party Congress in Nuremberg. There for the first time Alfried saw Nazidom in full action, with its forests of swastika banners, its bombastic speeches and legions parading to the tune of the Badenweiler march. As far as the official record goes, Alfried kept his opinion of these scenes to himself.

But no such reticence was shown by his father. For Gustav, on the return of his sons from Nuremberg, seized the occasion to write a letter to Martin Bormann in Hitler's Chancellery expressing regret that he himself had not been able to attend the Party Congress and adding that 'our two sons both returned from Nuremberg deeply moved. I am very pleased that they have gained these tremendous and lasting impressions. My own experience in Nuremberg was that only there could one fully understand the purpose and the power of the movement and I am therefore doubly pleased with the foundation that has thus been assured for our sons.'

Alfried again saw Hitler at close quarters when the Führer again visited the Krupp works in October 1938 and Alfried was presented to him as a newly joined member of the board of directors and a member of the firm's artillery construction division.

And now, having spent years in preparation, education, and training, Alfried was at last at the very hub of Krupp activity. Already by 1938 the Krupp firm was producing a large range of artillery of every kind, from field howitzers to tractors carrying heavy guns, and in particular the Krupp 88 mm. anti-aircraft gun, which had by now been tried out in the Spanish Civil War and which Alfried was later able to report to the firm was 'above all, the gun which stood the test of actual performance'. It was a gun of which Krupp engineers were particularly proud, for it was a dual-purpose weapon: it could be used both against aircraft and in a ground role against tanks.

Already, the Krupp arms department was pouring out naval artillery, heavy gun turrets, anti-aircraft guns for the new Luftwaffe, barrel and breech blocks for the Army and Navy, and ammunition fuses. The number of workers employed by Krupp had grown from 42,000 in 1932 to well over 100,000 in 1939, and in March of that year the firm was able to report a gross profit of £27,620,000, on which it declared a dividend of six per cent.

To his business activities Alfried now had to add many social ones, which brought him, of necessity, constantly into contact with leading members of the National-Socialist Party. Thus it is not surprising that, either through inclination or expediency, he himself became a full member of the Nazi Party at the end of 1938, obtaining the exceedingly high party number of 6,989,627. His contacts with Hitler himself

became more frequent and culminated in a touching ceremony in connexion with the fiftieth birthday of the Führer.

For months before, the artists and technicians of the factory had been working on the birthday present which the firm of Krupp was to present to the Führer on this auspicious occasion. It was a magnificent table of dark oak embossed all around with ornaments made of Krupp stainless steel. Infinite pains had gone into its design. The centre of the table, ornamented with two lifelike lions, also in steel, could be lifted out to reveal beneath it an intricate design of shining steel in which was represented the house in which Hitler had been born in Austria, surrounded by an elaborate design of figures symbolical of different aspects of the German nation. A circular inscription on the edge of the top of the table quoted a paragraph from Hitler's book *Mein Kampf*. Carefully wrapped and lovingly inscribed, the table was loaded into a truck and shipped to Hitler's mountain retreat at Obersalzberg, and there on 10 May, 1939, it was formally handed over to Hitler by Gustav Krupp, accompanied by Alfried, the artist who had designed the table and the moulder from the Krupp factory who had worked on it.

But this was one of the last pleasant 'social occasions' in which Alfried was able to participate. The world scene was darkening rapidly. Munich had come and gone and the German troops had poured into Prague. The Wehrmacht was intensifying its pressure on Krupp for increased production and from now on Alfried was to be tied, irrevocably, to the destiny of Fried. Krupp.

But when at the end of gruelling days in the office, Alfried went back to the Villa Hügel and joined the family circle, he found that his father, who had so enthusiastically backed Hitler for years, was now filled with strange forebodings about the future which Hitler was building for Germany and for the world. Gustav had helped to rearm Germany—and now he was suddenly overwhelmed with misgivings about the uses to which his arms were going to be put. He even decided to make a 'peace move' on his own, a move which was never publicly reported at the time but which comes to light in a study of the Nuremberg documents. One of the Krupp officials who was interrogated by the American investigators, Karl Fuss, the director of the Works' Educational Department, testified that in the first half of August 1939 Gustav Krupp had called him to help him draft a letter in English to a man whom he

described as 'a leading British politician' whose name he claimed to have forgotten. In this letter Gustav begged the Englishman to use his influence to prevent a war between Britain and Germany. And after the letter had been drafted Fuss reported that Gustav had remarked to him, 'I don't know whether the gentlemen in Berlin have any idea of what it means to become involved with the British Empire.' To other friends 'high in the industrial world of the United States', Gustav also sent a similar appeal.

But these last-minute efforts were in vain as all the rest. Within a few weeks the German armies were advancing into Poland and for the second time the firm of Krupp was playing its leading part in a world war. Alfried saw his brothers one by one go off to fight. Claus, then twenty-nine, gave up his post as head of the Berndorf Metal Works, a Krupp associate firm, to join the Army as lieutenant of the reserve, and was killed within a few months. His younger brothers, Berthold (twenty-six), Harald (twenty-three), and Eckbert, who was only seventeen, all went off to fight as lieutenants of the reserve. But Alfried's duty, as Gustav's eldest son and appointed heir, was clearly to serve his country on the home front. And the problems which now lay before him were enough to test the ability, the physical endurance, and the moral stamina of any man.

CHAPTER FOUR

VICTORY ON ALL FRONTS

AND now the orders, plans and government projects were pouring into the Krupp administrative office, and Alfried—at thirty-two—suddenly found himself a member of a small Krupp 'brains trust' which was almost overwhelmed by work and responsibility.

Although, at the subsequent trial of Alfried Krupp, great play was made on the fact that he did not formally take over the ownership of the firm from his father until 1943, there is no doubt that, right from the beginning of the war, Alfried played a role in the affairs of Krupp which was, in fact, far more practical and effective than that of his ageing father. Gustav was sixty-nine when the war broke out and his powers were already weakening. He was filled with misgivings about the outcome of the adventure upon which Hitler had launched Germany and he found it increasingly difficult to keep pace with events. Alfried's quiet, determined manner, his ability to deal diplomatically with Nazi officials, and his undoubted organizational ability, gave him increasing influence in the firm. And as his influence grew, so did his own self-confidence. When he had first joined the firm at the end of his educational period, he had been somewhat diffident in the presence of the Krupp directors of long experience among whom he now suddenly found himself.

At the time when Alfried first came to play a leading part in the work of the firm, indeed, the top administration of Krupp had been going through something of a crisis. The story of this can be clearly traced through a study of the Nuremberg Documents, in which directors of the firm described to investigators how the administration had been carried on. From these testimonies it is clear that even at the beginning of the

war, Gustav Krupp was, in relation to the firm, already something of a figurehead, with his son as his more active representative. In 1940, Gustav was the chairman of the Board, but the day-to-day business of Krupp was carried on by a Directorate consisting of three members: the elderly Professor Goerens, described as 'Plant Leader', who was a veteran Kruppian but primarily a technical man; a vigorous and ambitious administrator named Ewald Loeser, a former mayor of Leipzig who had joined the firm in 1937, and young Alfried Krupp himself. It was Loeser who related how, as he put it, Gustav Krupp at that time regarded himself as being 'a constitutional monarch' who took into account the views of his directors and sought to reconcile them. As Loeser bluntly put it, 'He knew that, if he tried to force any of the men to do anything he did not agree with, he might leave the firm.'

When young Krupp had joined the firm just before the war, it was Loeser who had been the predominant leader of the administration. It was not long before there was a clash of personalities and something of a struggle for power between the tough businessman of fifty and the young son of the chief, who was still only feeling his way in administrative matters.

Loeser owed his strong position to the fact that there was nobody else in the administration of his calibre—and he knew it. Some idea of the difficult situation with which Alfried found himself confronted, right at the beginning of his career, is contained in an affidavit written by Alfried Krupp for the American investigators on the subject of the position of Loeser in the firm. In this he explains that when Loeser had entered the firm in 1937, two members of the Directorate had just died. Both of them had been businessmen but after their death only Professor Goerens remained. He was an outstanding scientist, particularly in the field of metallurgical research, but less of an organizer, and he was already growing old. Alfried's narrative continues:

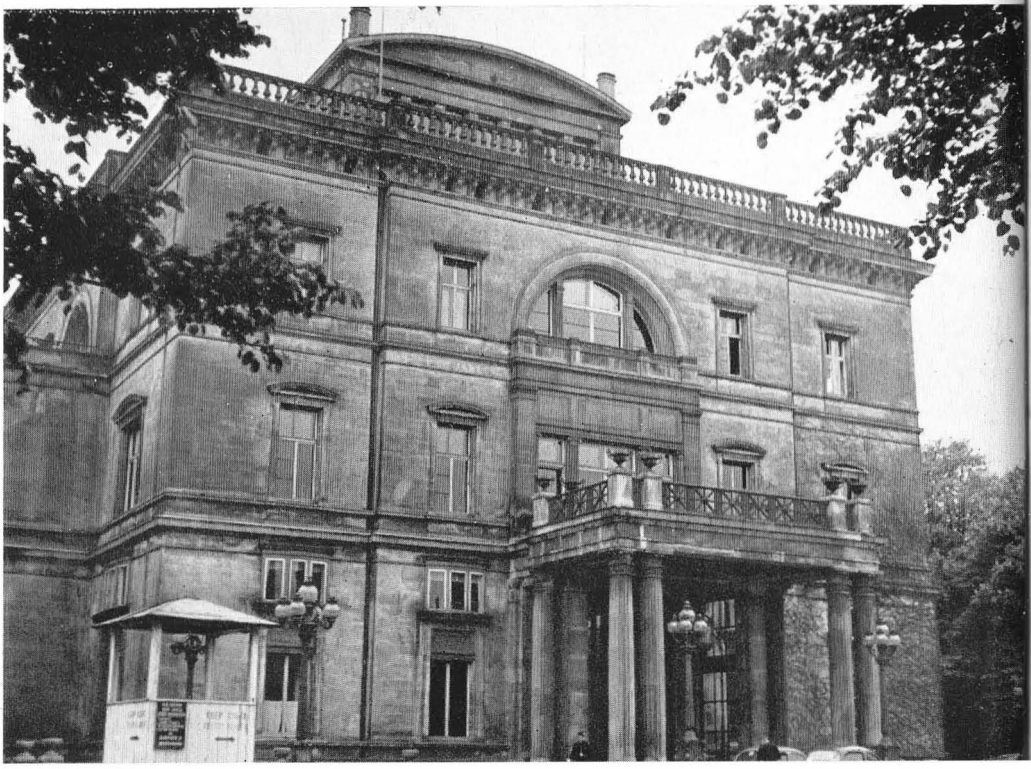
The former members of the directorate, who had either died or resigned, had neglected to train suitable successors. Consequently there was lacking in 1937, with a few exceptions, the 'second category' of leading executives, while the lower levels were better represented. This deficiency was the reason that the few remaining members of the Board had to combine too many reins to lower echelons in their hands, which consequently could not be held tightly enough.

Alfried Krupp under arrest

Essen after the war, showing the extensive damage done to Krupp plant. In the background smoke is seen rising from chimneys where bomb-damage has already been repaired

Alfried Krupp (on the extreme left) in the dock at the Nuremberg trial

The Villa Hügel, near Essen



Loeser, an expert administrator and financial man but without any experience in private industry, entered the rump directorate in 1937. I, who did not specialize in any field and who had no important experience, particularly in the commercial and financial departments, joined some time later.

When Loeser became associated with Krupp, he encountered a large number of primarily organizational tasks in the financial and commercial fields, the solution of which he attacked with the initiative characteristic of him. Due to the shortage of officials of the 'second category', he was compelled to work with those of the third or fourth category, unless he engaged outside help. Thus his influence quickly permeated to the lower echelons and he very soon held all the reins tightly in his hands.

Goerens, who was not well and was depressed by the loss of his only son, did not possess enough energy to initiate Loeser into the Krupp manner of operations and to observe and supervise his work in this connexion. Since my sphere of work stood apart from that of the firm as a whole, I myself could exert no such influence on Loeser, on account of my younger age, and I probably did not recognize his business policies then—until about 1941—to their full extent, thinking myself inexperienced, and that I should and could learn a great deal from him in his specialized departments.

In the realization that Krupp's 'second category' was too weak, Loeser sought to engage outside personnel which contrasted with my practice, in agreement with Goerens, of drawing these forces from the reservoir of the third and fourth category of Krupp officials, for the purpose of thus supporting the traditional business policies and of demonstrating that promotion to higher positions was possible. By the manner in which these measures were performed, I realized that in Loeser's departments the old Krupp traditions had already vanished to a large extent. For this reason I increased my efforts to place, at least in my department, suitable 'Kruppians' in leading positions . . .

By reason of the circumstances described, Loeser's position with Krupp became extraordinarily strong. One could say that, except for some marginal fields, such as Goerens in science and myself in coal mining, he was considered within and without the firm as the true representative of Krupp.

Thus one of the first problems which Alfried had to face when he became a senior member of the firm was to assert his own authority as against the man who was already in a firmly entrenched position. It

was a situation which many a young executive has had to face—and a contest which Alfried, by biding his time with typical quiet perseverance, was to win completely.

These three men then—Goerens, Loeser, and Alfried Krupp—constituted the 'brains trust' which bore the brunt of the multitude of problems brought to the firm by the war. A memorandum published in Essen on 8 March, 1941, recorded how they divided their tasks. It noted, 'The decisions of the Directorate in technical matters are made by Goerens, in commercial and administrative affairs by Loeser, and in matters of mining and armament by Alfried von Bohlen und Halbach.' (This was the form of his name which Alfried has always preferred.)

So, day after day, and often working far into the night, Alfried flung himself whole-heartedly into his task of ensuring that, once again, the firm of Krupp would play its part in total war. Every day brought new problems and new requirements from the Navy and the Air Force. The demands of the armed services seemed insatiable—but so, too, did Alfried's own capacity for hard work. Every problem somehow, now that the nation was at war, had to find a solution—and it almost always did. To eliminate Germany's dependence on foreign countries for supplies of raw material Krupp devised a process for making use of more low quality German ores and using larger quantities of steel with a low alloy metal content. As one country after another was overrun and occupied, new sources of raw material were found and opened up under Krupp supervision. More than two thousand of Germany's top ballistic experts were now working in Krupp offices on the technical problems of the new and urgently needed guns. The method of production generally employed was that the firm of Krupp would produce an experimental series of the new weapon and then pass on the blue-prints to other firms for mass production.

Some idea of the enormous extent of the contribution to the German war effort made by Krupp is given by a long and detailed review of the firm's work which was written in February 1942. This document praises especially the performance of the 88 mm. anti-aircraft gun, which had already proved its worth in Spain, and of the high quality of Krupp armour plate as had been exemplified in the fighting qualities displayed by that pride of the German Navy, the *Bismarck*.

Among the achievements of the artillery department (of which Alfried was the chief administrator) are mentioned the 170 mm. long-range gun 'for use on the German coast' and the development of a 105 mm. recoil-less gun for the use of paratroops (which must have been responsible for the deaths of many Allied soldiers since the document which mentions it recalls, 'In this equipment the paratroops received a completely new and strong offensive and defensive weapon which they had previously lacked. This equipment was experimentally committed on Crete where it gave an excellent account of itself.')

It is recorded, too, that Krupp made an important contribution to the development of the efficiency of German tanks. 'The fact that we manufactured both tanks and anti-tank guns stood us in good stead in the solution of these problems and gave us a knowledge of both tanks and how to combat them. This is especially so in cases where the strengthening of armour caused a corresponding increase in the performance of anti-tank guns.'

Other achievements by the firm in the first two years of the war are recorded as having included the development of armour-piercing shells (research on which had continued between the wars in defiance of the Treaty of Versailles), the production of rocket-assisted shells, self-propelled guns, fuse-setting machines, cast stainless-steel ship propellers for destroyers and submarines, stamped armour plate for the Air Force, submarine construction in the Germania Werft, and the installation of captured guns as welcome additions to the defences of Hitler's West Wall.

With some satisfaction Alfried Krupp was able to write in his first annual report for the year beginning 1 October, 1939: 'We take great pride in the fact that our products have come up to expectations during the war and we have been strengthened in our desire to do everything in our power to maintain the technical quality of German ordnance equipment, thus playing our part in reducing the Wehrmacht casualties.' He paid a tribute to the 'Kruppians' and announced a special Christmas bonus for them. A total profit for the year was presented of 12,059,000 Reichsmarks.

All of this seems to show that Alfried Krupp, once he got into the saddle, lost no time in proving himself an able and worthy follower of the family tradition.

It was not only the Krupp factory activities with which Alfried had to concern himself; he had also representative duties to perform in many of the national professional organizations which had become an integral part of the Third Reich—the associations of Ruhr industrialists, the Armaments Council (*Rüstungsrat*) and the Reich Iron Association, which was formed in 1942. Mention of such activities is made in a letter which Alfried wrote to his father at that time:

Essen, 29 May, 1942
Gusstahlfabrik

Dear Papa,

Many thanks for your letter dated 26th of this month.

I and Dr. Müller went yesterday to Reich Minister Speer who immediately appointed me to the *Rüstungsrat*. Furthermore, he informed me that he, together with the Reich Minister for Economy, had suggested me as deputy Chairman for the Reich Iron Association which is to be formed. . . . I accepted this appointment mainly because I was convinced that Fried. Krupp must play a leading role in the new Reich Iron Association.

Herr Speer promised once more to come to Essen, but was not yet able to fix a day.

With many greetings to you and Mama,

Alfried

More and more as the war went on, it seems, Gustav Krupp was content to leave the more active duties of the war effort to his son, while he himself remained increasingly aloof, either at the Villa Hügel or in his country retreat in Austria, thinking out the general lines of Krupp policy or composing picturesque exhortations such as the one which appeared in the Krupp house organ in 1942, in which he paid tribute to the role of the armaments worker in total war and optimistically wrote: 'In the areas threatened by air attack the armament worker of 1941 is exposed to the same material danger as the soldier. Again I must attest that under these unusual conditions he does his duty gallantly and calmly. . . . That things are running without friction I ascribe, apart from the meritorious military leadership which has reduced the threat of air attacks to a minimum, to mutual trust between management and labour.'

Gustav had time for such moralizations, but Alfried had certainly not. Day after day, a multitude of matters came crowding in, demanding urgent decisions.

There was the question of the exploitation of industries in occupied countries. Each sweeping new advance of the Wehrmacht brought new factories and mines into the German orbit, to be seized and exploited for the Reich war effort. Krupp were offered their share of the pickings—in France, Belgium, Holland, and Austria, chromium ore deposits in Yugoslavia, nickel mines in Greece, and the iron and steel works of the Soviet Union. After the occupation of the Ukraine, a Berlin government office suggested to Krupp in the spring of 1942 that it should participate in the resumption of operations in the iron and steel industry there. Alfried himself flew in the summer of 1942 to Stalino and Mariupol and later the Krupp firm agreed to take over the 'sponsorship', as it was called, of machine factories, steel works, and agricultural machinery. The firms remained technically in the hands of the Third Reich but Krupp's contract with the Reich Government contained a clause that, in the event of any Russian enterprise being at a later period put up for sale into private ownership, 'those undertakings which had taken over the sponsorship should receive a general option on the enterprise'. Krupp experts, too, were sent to supervise the output of factories in France and elsewhere, and Ewald Loeser himself took over the supervision of the great Philips electrical factory at Eindhoven in Holland. On such matters as these, Alfried worked indefatigably, and in the conviction that his firm should co-operate fully with the desires of the Third Reich, both for reasons of self-interest and as part of the national war effort. And nobody was surprised when, in March 1943, he was ceremoniously awarded the Nazi Cross for Meritorious War Service.

Then there were the decisions which had to be made about supplies of foreign labour. Each new demand for increased production put to the firm by the armed forces necessitated more workers for the Krupp factories, already depleted by the call-up of men to the armed forces. After the German agreement with Vichy France, French prisoner-workers had begun to be sent home. They, too, had to be replaced. The only way of filling Krupp's urgent needs seemed to be the acceptance, in the same way as other firms, of supplies of forced labour from

the ranks of prisoners of war and the concentration camps of the Gestapo. So thousands of women were shipped to Essen from Buchenwald, and supervised by guards of the Gestapo, to which organization the firm of Krupp paid the sum of four marks a day for every woman employed.

Initially, Krupp seems to have made some degree of effort to accommodate and feed its 'slave workers' adequately: it was later in the war that, partly as a result of Allied bombing, conditions reached the inhuman level described in the next chapter. To Alfried Krupp, brought up in the hard school of the Villa Hügel, the war effort and the welfare of the firm did, during this period, genuinely seem the only two things which were really of urgent importance. Two of his brothers were fighting at the front and a third, Claus, had already been killed.

One enterprise in which, through his position in the armaments department, Alfried Krupp was particularly interested, was the development of the famous 'Gustav Gun', the Second World War's successor to the 'Big Bertha' of the First, which had a range of around a hundred miles and was used by the Germans for the bombardment of Sevastopol. A detailed account of how this gun was developed over the years is available in the Nuremberg documents in the form of a report, written from memory for the American investigators, by another of the leading members of the firm, Dr. E. Müller. It is worth quoting at some length because it gives a clear insight into the immense amount of ingenuity and hard work devoted by Alfried Krupp and his colleagues to the development of a new weapon.

Dr. Müller related that the first seeds of this ambitious conception had been sown by a telephone call which had reached Krupp from the Army Ordnance Office as long previously as 1935. The officer on the telephone had asked that Krupp's ballistic experts should work out what weight of projectile and what speed of projectile were necessary to penetrate armour plates of a thickness of 1·5 metres or concrete 3·5 metres thick. Three Krupp experts prepared plans for guns of 700, 800, and 1,000 mm. calibre. After that nothing was heard for a long time. Dr. Müller's memorandum continues:

At the beginning of 1936 the Army Ordnance Office renewed its inquiries. The same information was given and for the time being nothing further happened.

During a visit by Hitler to Krupp in the spring of 1936, he inquired whether the construction of such a gun was possible. He was told it could be considered but that the difficulty would lie in working the heavy and large forgings and castings.

Dr. Müller noted that among those present at this conference with Hitler had been both Gustav and Alfried Krupp. He continued:

Conferences were held with the competent section of the experimental department of the Army Ordnance Office. In the summer of 1936 the draft was worked out by the artillery construction department of the firm of Krupp.

Plans for the fundamental construction of the gun, as well as for the dismantling of the various parts for purposes of rail transportation, were laid by Dr. Müller himself and detailed construction plans were laid out by a whole team of more than twenty-five Krupp experts on such specialized subjects as ballistics, barrel and ammunition design, elevating and traversing mechanism, carriage for railroad transportation, electrical equipment and diesel electric engines, consultation on steel and materials, technical consultation on forging and casting, technical consultation on manufacture, calculation, and procurement of materials. Dr. Müller continues:

At the end of 1936 the drafts were presented in Essen to the chief of the experimental department of the Army Ordnance Office and other Army experts. The draft was accepted and the date of delivery discussed. This date of delivery could not be fixed exactly because it was dependent on whether two workshops which were at that time being built as part of the naval programme could be completed in time and whether the various large machines for manufacturing the different mechanical barrel parts and the large cradle could be set up there in time. The workshops were supposed to be completed in 1939. Under the above-mentioned conditions the year 1940 was given as the earliest date for the production of the gun. Moreover this deadline could be met only by departing from the usual production methods of starting forgings and castings only after the whole construction had been completed. The Army gave its consent to this, and a special contract was drawn up which authorized Krupp to start construction without simultaneous checking by the Army and to begin production immediately after finishing the parts of the construction in question.

At the beginning of 1937 construction and production were started. Occasionally the Army was informed of the progress made. The first draft was on the whole adhered to and carried out.

In the summer of 1938 a first trial discharge took place on the army artillery range at Hillersleben, with a projectile fired at an experimental bunker with walls about 3 metres thick. The wall was driven in. During the winter 1938–9 a second test was conducted on a fortress near Grulich with the same result. Meanwhile, under the direction of two Krupp technical men, the Wehrmacht erected the installations necessary for testing the gun in action on the army artillery ranges at Hillersleben and Hügenwald.

By the beginning of the war the production of the parts had made very good progress. Several times negotiations were conducted with the Army on whether the guns were to be completed. As about eighty per cent of the parts had been finished and were blocking the workshops for other jobs, the firm advocated completion of the gun. The Army agreed, but the production was slower than originally planned.

During a discussion at Berchtesgaden in the spring of 1940 on the armament of tanks, at which representatives of the German Army and heavy industry were present and Krupp was represented by Dr. Müller, Hitler ordered production of the gun to be speeded up. In the summer of 1940 the barrel was tested at Hillersleben and projectiles were fired at armour plates and concrete bunkers with the expected results, this test being attended by Alfried Krupp. There was a second experimental firing with naval officers present. In the winter of 1940–1, both Gustav and Alfried went to Hügenwald, where the whole gun was erected and tested, and in the spring of 1941 the gun was demonstrated at Hügenwald by Alfried to Hitler, Speer, and their suite. Arrangements were made to assign a staff of about ten Krupp engineers to set up the gun ready for action. Dr. Müller concludes with a brief account of the Gustav Gun's brief war-time performance: 'In the spring of 1942 a firing installation for the gun was built in front of Sevastopol and in April the gun was transported there.' The gun was used in action for the first time at the beginning of June, and for this occasion both Dr. Müller and Alfried flew from Essen to Sevastopol, where they spent about five days.

Dr. Müller adds disarmingly: 'In the winter of 1942 the gun was to be used in operations near Leningrad. A Krupp expert visited the

position where it was to be installed, but finally the gun was not used in action.' (The Red Army relieved Leningrad in time!)

The epilogue to the saga of the Gustav Gun and of Alfried Krupp's concern with it, comes in a final document in the Nuremberg archives. Gustav was so proud of the weapon which, he felt, would immortalize his name that, despite the years of work and millions of marks which the firm had poured into the construction of this gun, he decided to send Alfried off with a letter to Hitler informing him that he wished to make a present of it to the Third Reich. This flowery epistle, typical of Gustav Krupp in his senile days, ran as follows:

Auf dem Hügel
24 July, 1942

My Führer!

The big weapon which was manufactured thanks to your personal command has now proved its effectiveness. It remains a page of glory for the Krupp works community and was made possible through close co-operation between the designers and the builders.

Krupp most thankfully realize that only the confidence shown and proven to them by all agencies, particularly by you, my Führer, has facilitated the construction of such an undertaking which, in its greater part, was done during the war.

True to an example set by Alfred Krupp in 1870, my wife and myself ask the favour that the Krupp works may refrain from charging for this first finished product.

To express my thanks to you, my Führer, for the confidence shown in our plants and in us personally by entrusting such an order to us, is a pleasant duty for my wife and myself.

Sieg Heil!
G. v. Bohlen und Halbach

To be presented by Alfried in person

Two factors probably impelled Gustav to make this munificent gesture to the German Head of State. He no doubt felt under something of an obligation for the tribute which Hitler had paid to the firm during his visit to Essen in the summer of 1940, fresh from the triumphs of the Wehrmacht in east and west. On that occasion Krupp had been officially designated as a 'model enterprise' of National-Socialism, and the award was accepted by Gustav as a tribute to 'a social-political attitude which, while having its roots in a 128-year-old

tradition, has developed organically so as to fit into the new times in National-Socialist Germany'. But, even more, Gustav no doubt believed that the letter which Alfried was instructed to deliver 'in person' would serve to remind the Führer of a project which was particularly dear to Gustav's heart, and which, indeed, as the years went on and he himself became further and further removed from the daily administration of the firm, began to seem to him almost the most important project of his life. It was his plan for the basic revision of the legal status of Krupp, so as to make it once and for all purely a family concern.

Gustav at this time no doubt saw the prospect of his own days drawing to an end and his anxiety about the future of the firm seems to have weighed with him even more heavily than his anxiety about the future of the war. All his life it had been a basic tenet of his that he had been entrusted with the duty of carrying on the traditions established by the original Alfred Krupp. And Alfred had expressly laid down in his will his desire that the firm should be kept undivided for ever and entrusted to a single owner who should be the most outstanding scion of each generation of the Krupp family. To Gustav it seemed of paramount importance that this wish of the great Krupp ancestor should be fulfilled. And the 'Crown Prince' of the dynasty now was his son Alfried. So, while Germany was fighting for its very existence, and the resources of the firm of Krupp were stretched to their very limit, Gustav worked, in the calm of the Villa Hügel, with lawyers and with business experts for months on end in the preparation of his project. He was tireless in his interviews with Nazi officials, despite the fact that they no doubt had other and weightier problems on their minds at that moment. But Gustav went to the top—to Hitler and his deputies themselves. Thus on 9 January, 1943, he wrote a letter to Martin Bormann, in Hitler's Chancellery, which ran:

Dear Bormann,

My son Alfried and I had a conversation with Dr. Lammers today, which showed perfect mutual agreement. I did not want to fail to inform you of this and at the same time gratefully acknowledge receipt of your friendly letter of the 31st of last month. Alfried will, in a short time, together with our notary public, submit further documents and present them to Herr Reichsminister Lammers.

My wife and I send you and your family the best wishes for 1943. May it be a year of well-being and benefit for our people and particularly for our Führer, as their symbol.

Heil Hitler!
Yours
(Initialled) G. v. B. u. H.

Hitler finally apparently decided to give satisfaction to the old man, and, after months of legal wrangling, the *Lex Krupp* was finally approved and all was ready for Alfried at last to take into his own hands full power over an industrial empire which at that moment was employing some 115,000 people.

On a grey afternoon of 15 November, 1943, Gustav, Alfried, and Bertha Krupp, accompanied by the firm's lawyers, held a solemn meeting. Bertha, now sixty-three, as the direct descendant of Alfred made a formal declaration. 'I renounce the ownership of the family undertaking in favour of my son Alfried who thus, in accordance with the statute drawn up on the basis of the Führer's decree, becomes the first owner of the family undertaking. In accordance with the Führer's decree my son will be known by the name of Alfried Krupp von Bohlen und Halbach from the time that he becomes the owner.'

A formal declaration was also made by Alfried. 'I am in agreement with the above declaration by my mother and I take over the ownership of the family undertaking.'

Thus the ambition of old Krupp had been fulfilled and his son was now firmly and permanently established in the historic family tradition. Obviously the situation called for another effusive letter to Hitler, and Gustav composed one to be signed jointly by himself and his wife. It ran:

29 December, 1943

Mein Führer!

By virtue of the decree of 12 November, 1943, you have given your consent to the foundation of the Krupp family enterprises on special principles of succession, and on the 21 December, 1943, you passed the statute of the family enterprises established here at Essen on 15 December, 1943.

By this, you have made a wish come true, which my wife and I had had for years and thus relieved our hearts of great anxiety over the future

of the Krupp works. The preservation of the Krupp works in the hands of one person, and thereby the taking over of the full responsibility by one member of the family, had already been the wish of the grandfather of my wife, Alfred Krupp. This aim had found clear expression in his testament when, to prevent any division of the ownership of the works, he stipulated the succession of inheritance for three generations in such a manner that only one of the future heirs, the oldest, was to inherit the factory property. Following this basic conception of Alfred Krupp, my wife and I, also, desired to stipulate the succession in that manner whereby only one successor of our family would inherit the factory property.

Gustav points out that recent legislation had made it difficult to take such a step, which was why recourse had to be had to the special edict of Hitler. He continues:

By your decree, *mein Führer*, this aim has now been achieved. My wife and I, as well as the whole family, will be deeply grateful to you for this proof of your confidence, and we shall do everything that is within our power to equip our son Alfried, the present owner of the family enterprise, for the task of maintaining and, if possible, increasing the production of the Krupp works, both in peace and war, in your spirit and for the benefit of our people.

Our special thanks go out to you, *mein Führer*, also for the great honour and recognition which you have awarded, in your introduction to your decree, to 132 years of the work of Krupp, done by many generations of faithful followers, and steered and directed by four generations of the family Krupp.

Your grateful
Bertha Krupp von Bohlen und Halbach
Gustav Krupp von Bohlen und Halbach

The reorganization of the firm brought another personal triumph for Alfried: it settled finally the problem of Ewald Loeser. All through the period in which the *Lex Krupp* had been under discussion, Loeser had opposed the idea of putting the firm of Krupp under a single man. He argued that it might not always be possible to find a member of the Krupp family competent to take on such heavy responsibilities. But Loeser's arguments carried no weight with Gustav, and naturally none with Alfried either. And in the *Lex Krupp* the ambitious executive finally met his Waterloo. Only a laconic reference is made to him in the

document which Alfried issued a couple of weeks after the new order was established, but it settled the Loeser problem once and for all. Announcing the new form of business management which was being established under the name of 'the Directorate', Alfried Krupp states that the regular and deputy members of the former board would in future constitute the regular and deputy members of the Directorate 'with the exception of Herr Loeser, resigned'. The young master was now firmly in the saddle.

The official announcement of the 'New Order' was duplicated and circulated to all Krupp departments on paper headed 'Cast Steel Works, 29 December, 1943'. It was Alfried's first order as the new head of the firm, and it ran:

To the Plants and Offices and branch enterprises—Subject: Conversion of the Aktiengesellschaft to the Individual Firm of Fried. Krupp.

On the decision of the General Meeting of 15 December, 1943, the Fried. Krupp Aktiengesellschaft was converted into the individually owned firm of Fried. Krupp, with headquarters in Essen. On the same date and upon simultaneous establishment of articles of incorporation of Fried. Krupp, the firm was vested in the sole ownership of Herr Alfried von Bohlen und Halbach. Upon registration in the Company Registry, the family enterprise thus established will in the future have the trade name of

Fried. Krupp.

The branch enterprises

Fried. Krupp
Aktiengesellschaft
Friedrich-Alfred-Hütte

and

Krupp Stahlbau
Fried. Krupp
Aktiengesellschaft

will in future have the trade names of:

Fried. Krupp
Friedrich Alfred Hütte

and

Fried. Krupp
Stahlbau.

Herr Alfried von Bohlen und Halbach will henceforth have the name of Alfried Krupp von Bohlen und Halbach.

The owner of the family enterprise has the full responsibility and direction of the entire enterprise. To assist him he has appointed a business management with the name *Das Direktorium.* They will have authority to sign for the firm in place of the owner and without mention of *Prokura* (power of attorney). The authority to sign for the individually owned firm by the other persons who were formerly the authorized agents of the Fried. Krupp Aktiengesellschaft has been confirmed. Within the next few days a special circular concerning the form of the signatures will have been sent out.

No change is being made with regard to the subsidiary companies, which will be managed as independent legal entities.

After a paragraph dealing with the issue of new signature stamps, the document ends with the signature of the two responsible members of the new *Direktorium.* Professor Goerens remained as one of them—and the place left vacant by the 'resignation' of Loeser was filled by a faithful old Kruppian on whom Alfried knew he could rely, Dr. Janssen, formerly the head of the Krupp office in Berlin.

In the ensuing weeks Alfried concentrated on details and, one month later, on 31 January, 1944, a further circular was issued by Alfried himself, laying down the duties of the new *Direktorium,* and making clear beyond doubt his own position of authority. This document notes in its preamble that 'the owner of the family enterprise alone carries the responsibility for and is the head of the entire firm'. It sets out in detail the duties assigned to about a dozen members and deputy members of the Directorate, but it makes it clear that even though the members of the Directorate were being given a large measure of independence, Alfried was not thereby forsaking any of his individual power. The memorandum notes specifically, 'All matters of importance must be submitted to me as well as to the members of the Directorate for a decision.'

* * *

And so Alfried Krupp, at the age of thirty-six, had reached a peak of position and power. But even as he stepped into his new high office he must have realized that his triumph would be short-lived. The signs were now everywhere clearly to be read—in the roar of Allied bombers

which with increasing frequency were defying that 'meritorious military leadership' of which Gustav had once so confidently spoken, in the Italian surrender, in the German retreat from Russia that was eventually to become a rout. Alfried Krupp's personal triumph came only a very little while before his country's total disaster.

CHAPTER FIVE

DISASTER

THE whole tenor of Alfried's life swiftly began to change. What had been a daily struggle for higher achievement became now a daily struggle to exist at all. All the dreams of glory, of prizes that would come to Germany, and to Krupp, as a result of the war, suddenly began to fade and wither.

By the summer of 1944 no more illusions were possible. The Red Army had swept across Europe and was now at the gates of Warsaw: they claimed that in three years of fighting, the Germans had lost over seven million men in killed and prisoners—and one of those prisoners was Alfried's own brother Harald. In the west, British, American, and Free French troops were already established on French soil. And day after day the air raids on Essen became more terrifying and more destructive.

The first major air raid on Essen had taken place in March 1943 and had provided a grim warning of what was to come. In all, the Royal Air Force alone carried out a total of 186 air raids on Essen up till the end of the war. In 11,336 individual sorties, 36,420 tons of bombs were dropped on Essen and on the Krupp works. Almost every type of British bomber operated over Essen in the course of those raids, including Blenheims, Whitleys, Hampdens, Manchesters, Wellingtons, Mosquitos, Halifaxes, and Lancasters.

Day after day, after nights spent in the lonely echoing rooms of the Villa Hügel, listening to the roar of bombers overhead and the rumble of bombs falling on the city, watching the flashing flak and the red glow in the sky from blazing buildings, Alfried would motor early to

the office to get the latest reports of what new damage had been done.

And after every raid the workers in his factories, the Kruppians, performed incredible feats of salvage and repair. A night raid would destroy the wing of a factory: within a few hours after the sirens had sounded the 'all clear', hundreds of men would be at work in the rubble and extracting undamaged machinery to set it to work again by the same afternoon. Then, as a gallant gesture of defiance, someone would chalk on any undamaged wall the three interlocking circles which are the trade-mark of Krupp.

Upon the crucible steel works alone, once the core of the Krupp concern, 2,100 tons of incendiary and high-explosive bombs were dropped in fifty-five air raids.

The big administrative building of Krupp was luckier, for it remained virtually undamaged throughout the war except for one wing which was burned out. But, describing life in those days in his typically unemotional way, Alfried Krupp replied to a question by me during our interview in that same administrative building, 'Here we were lucky on the whole except, of course, that work kept being interrupted when people had to go to the air raid shelters.'

'Work kept being interrupted.' This, it seemed to me afterwards, as I tried to reconstruct in my mind the scenes of havoc in Essen in the final months of the war, was a masterly understatement, worthy of the most tight-lipped Englishman. It is true that the Villa Hügel itself, lying just on the outskirts of Essen, totally escaped bomb damage, but all the members of the firm of Krupp, including its proprietor himself, must have shown considerable resolution and even personal courage in the extent to which they carried on with their daily work under the growing avalanche of attack, which at times almost totally disrupted the city.

The situation brought about by the air raids was grim enough for the Kruppians, but for the foreign workers doing forced labour in the Krupp factories and housed in the encampments in and around the city, the final months of the war must have been an inferno.

By the autumn of 1944 more than 70,000 foreign workers and prisoners of war were being employed by the Krupp works and associated companies in and around Essen. These workers, Russians, Poles,

Czechs, Frenchmen, Italians—men, women, and children—were accommodated in nearly sixty different camps ranging from small ones holding from sixty to a hundred people to the great one in Altenessen into which were crowded some three thousand eastern and western workers. Nearly every one of these camps was destroyed once, twice or more times in the bombing, and each time was partially and painfully reconstructed by its weary and under-nourished occupants. With each destruction, the accommodation, primitive even at first, became more and more deplorable. Details of the plight of these people were revealed in hundreds of pages of documents during the Nuremberg Trials, but here, perhaps, it will suffice to quote only from one typical report, made to investigators by a German police official who inspected the Krupp camp in the Humboldstrasse. This was a camp which had originally housed Italian military internees, but had been destroyed, rebuilt, and used as a centre for women workers. The German official reported:

The camp inmates were mostly Jewish women and girls from Hungary and Rumania. They were brought to Essen at the beginning of 1944 and were put to work at Krupps. The accommodation and feeding of the camp prisoners was beneath all dignity. At first the prisoners were accommodated in simple wooden huts. These huts were burned down during an air raid and from that time on the prisoners had to sleep in a damp cellar. Their beds were made on the floor and consisted of a straw-filled sack and two blankets. In most cases it was not possible for the prisoners to wash themselves daily as there was no water. There was no possibility of having a bath. I could often observe from the Krupp factory during the lunch break how the prisoners boiled their underclothing in an old bucket or container over a wood fire and cleaned themselves. . . . A slit trench served as an air raid shelter, while the SS guards went to the Humboldt shelter, which was bombproof.

Reveille was at 5 a.m. There was no coffee or any food served in the morning. They marched off to the factory at 5.15 a.m. They marched for three-quarters of an hour to the factory, poorly clothed and badly shod, some without shoes, and, in rain or snow, covered in a blanket. Work began at 6 a.m. Lunch break was from 12 to 12.30. Only during the break was it at all possible for the prisoners to cook something for themselves from potato peelings and other garbage. The daily working period was one of from ten to eleven hours. Although the prisoners were com-

pletely undernourished, their work was very heavy physically. The prisoners were often maltreated at their work-benches by Nazi overseers and female SS guards. At five or six in the afternoon they were marched back to the camp. The accompanying guards consisted of female SS who, in spite of protests from the civil population, often maltreated the prisoners on the way back by kicks, blows, and scarcely repeatable words. It often happened that individual women and girls had to be carried back to the camp by their comrades owing to exhaustion.

At 6 or 7 p.m. these exhausted people arrived back in camp. Then the real midday meal was distributed. This consisted of cabbage soup. This was followed by the evening meal of water soup and a piece of bread which was for the following day. Occasionally the food on Sunday was better. An inspection of the camp as long as it existed was never undertaken by the firm of Krupp.

As the Allied forces advanced across France and into Germany itself, some of the Krupp camps were disbanded. Among these was the camp in the Humboldtstrasse whose women, in March 1945, were handed back to the care of the Gestapo. They were sent to Buchenwald concentration camp, and for the most part were never heard of again.

* * *

Alfried Krupp himself, of course, saw nothing of such matters at first hand, and it was to be more than three years before the debate on his personal responsibility or otherwise was opened at the Nuremberg Trial. Meanwhile, blows of fate were being dealt at several members of his own family, beginning with his father.

It had become clear, even before the official handing over of the firm to Alfried, that the strain of the war, the bombing, and the growing certainty of defeat, were proving too much for Gustav Krupp. The first danger-signal had come already in 1942, when suddenly Gustav had begun to suffer from occasional attacks of dizziness. The attacks increased so seriously that, from that summer onwards, Frau Krupp feared that one would come upon him while he was out riding and from that time on she always either accompanied her husband on horseback, or sent two experienced grooms out with him. But Gustav still sat his horses erect and rode them with a firm hand, and he still attended with military minuteness to the details of his dress.

Then, in 1943, Gustav began to have trouble with his eyes, due principally, it appeared, to poor functioning of the eye muscles. For a time he suffered from double vision and was hardly able to read the documents sent up to him at the Villa Hügel from the office. But he received treatment for this, and the old man resolutely refused to admit the possibility that his health was seriously threatened.

The real blow came in 1944. He had a partial stroke, which affected the left side of his face and the right side of his body, impaired his ability to walk, and brought him to a state of increasing weakness, both physical and mental. His speech grew indistinct and from this time on Gustav depended more and more upon the care given to him by his wife, who alone seemed able to understand his needs and his desires.

By now it had become clear to all that Gustav could never again play any influential role in the House of Krupp. When, in the autumn of 1944, his secretary Fräulein Krone tried to take letters at his dictation, she found that her chief, once so precise in his diction and so clear and exact in his thought, was no longer able even to make himself understood. Dictating a letter, he would start a sentence, lose the thread of his thoughts, and go wandering off to talk about something else. Sometimes he seemed to have lost all idea of the meaning of the words themselves. Time and again the only way in which Fräulein Krone could get a letter written at all was by listening quietly to Gustav's outpourings, gathering a general idea of what he was trying to say—and then writing the letter in her own words.

Then there came Gustav's accident. On 25 November, 1944, the old man was out by himself in the garden of his Austrian villa. People watching him from the windows saw him suddenly start to run. Just as he neared the house, he fell to the ground with a crash, and lay there groaning. Frau Krupp and servants who rushed up found that he had seriously injured one arm and was in great pain. They put him in a car to rush him to the local hospital at Schwarzach-St. Veith. As they drove at high speed over the roads, Gustav sat slumped, half-unconscious, in one corner of the back of the car. They were travelling fast and when at one point on the main road, an approaching car came over too far across the wrong side, the chauffeur of Gustav's car was forced to swerve violently and brake hard. Gustav was thrown forward from his

seat, and crashed with his forehead and the bridge of his nose against a metal bar behind the chauffeur's seat. He did not lose consciousness, but his condition after this accident was so serious that he was kept under treatment in the hospital throughout the following eight weeks.

Gustav never properly recovered from this accident and after his return home his break-up became rapid and apparent to everyone. For the first time in his life he neglected to care about his clothes, his personal appearance, or even his behaviour at table. The old man's mind seemed to wander constantly. Once, for instance, when a plate of soup was put before him for lunch, Gustav took up his soup spoon—and used it to serve himself with water from the glass which stood beside his plate. Increasingly he became more irritable and he began to suffer from hallucinations. Once, as he sat down at table for luncheon, he looked around and growled, 'Who are all these people?' There was nobody sitting at the table except Alfried and Bertha.

He complained of noise: the ringing of a telephone bell could send him into a frenzy of anger. His increasingly indistinct speech made it more and more difficult for the servants to understand his wishes; it took two of them, one supporting him on either side, to enable him to walk only a few paces. In his personal habits the man who had once ruled a great industrial empire became like a baby again.

There was nothing that anybody could do now. When Alfried visited his father in his sick-room, the old man hardly recognized him. The words he spoke seemed now to make no sense at all, except for an occasional oath such as '*Ach Gott*' or '*Donnerwetter*'. Sometimes he burst into unexplained outbursts of weeping.

In the latter days of the war, Alfried saw no more of his father, who remained at Blühnbach in Austria, struck almost dumb by a further stroke, and virtually unable to move.

Two other members of Alfried's family also paid a heavy price for the Hitlerian adventure to which Gustav Krupp had, in former days, paid so many gushing tributes.

First, Alfried heard that in the wave of arrests which followed the attempt on Hitler's life of 20 July, 1944, Baron von Wilmowsky, who had married Barbara Krupp, the second daughter of Friedrich Alfred Krupp, was rounded up and he and his wife were flung into separate prisons. Barbara von Wilmowsky was finally set free and the Baron

himself, after a period in Sachsenhausen concentration camp, was liberated by the American Army.

Later still, Alfried lost his younger brother, Eckbert, who was killed in Italy during April 1945.

* * *

As the war reached its final stages there seemed to be less and less that Alfried or any of the other Krupp directors could effectively do. In the early days of the Allied advances, there had been hectic attempts to salvage machines and materials from the various enterprises which Krupp had taken over—from the Austin plant at Liancourt, France, which Krupp workers evacuated only a few days before the entry of the American troops, taking with them eighteen machines which they had collected in France and dismantled for transport to Germany, from the Almag plant at Mulhouse, and from plants in Holland, Yugoslavia, and elsewhere. But by the early spring of 1945 it was clear to everybody that all was lost and that further effort was hardly possible. On 11 March, 1945, Essen suffered its last—and its worst—air raid. More than one-third of the main Krupp factory lay in ruins and production came to a complete halt. The Nazi organization had broken down, communications were interrupted, and party officials went about shouting contradictory orders. To Alfried Krupp it began to seem clear that there was nothing more he could usefully do except to sit back calmly and wait for the end.

By April, American paratroopers were known to be in the area of Essen. On the evening of 10 April, Alfried dined early in the lonely and blacked-out Villa Hügel, with three other Krupp officials who were there to keep him company. After dinner the four men sat around a table playing the German card game of *Skat* for penny stakes—for there seemed hardly anything worth while talking about any more.

On the same evening, six miles away, a colonel of the 9th U.S. Army set up a command post of the 79th Division Infantry Battalion which had just moved in to clean up the area. The following morning, Wednesday, 11 April, the colonel ordered Lt.-Colonel Clarence Sagmon and his adjutant, Captain Benjamin G. Westerveld, to go over to the Villa Hügel and see what was going on there. The two American officers sped

down the long driveway to the Villa in a jeep, with a sergeant manning a machine-gun perched at the rear. They marched into the great main hall, incongruous figures in their battle-dress under the cold eyes of the portraits of the Kaisers, the Krupp family, and Hitler himself, which were hanging around the walls, and there they encountered the Villa's chief butler.

'Who lives here?'

'My master, Diplomingenieur Alfried Krupp von Bohlen und Halbach.'

'Where is he?'

'Upstairs.'

'Bring him down then at once.'

Alfried Krupp came down the stairs wearing a black 'Anthony Eden' hat and a well-cut lounge suit. He told the two American officers, 'I am the owner of this property: what do you want?'

The captain snapped back, 'O.K., bud, you're the guy we want—let's go.'

Describing this scene a few hours afterwards to Edward Hardt, a *Sunday Express* reporter, Captain Westerveld said, 'I just grabbed him by the scruff of the neck and tossed him into the jeep.'

The officers went back and picked up eight personal servants and took them all into American custody, along with Alfried Krupp. Then the Americans moved in and made the Villa Hügel for some days a temporary billet for the American Army. They found that Alfried Krupp had converted a part of one wing of the villa into a work's office where a hundred or so members of his staff, bombed out of the administrative building in Essen, had been able to work in comparative peace. Servants in the villa told the Americans that Alfried had kept up his urbane and unruffled way of life right up to the end. On the day before his arrest he had driven himself in his black Mercédès-Benz limousine into Essen for a final visit to the office. He had came back to the Villa Hügel to take his meals at regular hours. And his personal man-servant had declared that, even at the height of the bombing, 'Mr. Alfried always slept as peacefully as a child.'

Two months later, British troops replaced the American occupation forces and the officially decreed Allied policy of the break-up of the Krupp empire began in earnest. In September all the members of the

board of Krupp who could be found in Essen were arrested. Alfried himself had by then been handed over by the Americans to the British for temporary custody. The following month British tanks rolled up to the main administrative building of Krupp, the premises were occupied, and the provisional board of management was informed that a British 'Controller', Colonel Fowles, had been appointed and would henceforth act as the sole legal representative of the firm.

That afternoon Colonel Fowles summoned the management and twelve superintendents and heads of departments to a conference room high up in the Krupp building overlooking the half-devastated works. He told them it was the intention of the British Military Government to put Krupp out of action once and for all. Pointing to the view outside the windows he told the Kruppians, 'None of those chimneys will ever smoke again.' And to most of the men in the room at that moment it appeared as though what the British colonel had said was true.

And then began the great dismantling phase. Even in those days, when passions aroused by the war were still at their height, the wisdom of the dismantling policy agreed on by the Allies was questioned both in the western Allied countries and, of course, in Germany itself. Loudest in their protestation—and of course least regarded—were the Krupp officials themselves, who were profoundly shocked at the reckless waste of men, machines and materials which they now saw going on before their eyes. Priceless machines which could well have been used in the rebuilding of western Europe, were broken up for scrap or dismantled and sent to Russia or Yugoslavia where they were only partially used.

Indeed there seems to have been little logic, or even common sense, in the way the dismantling orders were applied. Thus, for instance, the Borbeck foundry, Krupp's most modern steel mill, producing special pig-iron and high-quality steel, was ordered to be dismantled and shipped to the Soviet Union. For three years, 2,800 men worked on this dismantling operation, at an estimated cost of 27,000,000 Reichsmarks. Yet experts believed that at most fifteen per cent of the dismantled and dispatched parts were capable of being re-used by the Russians, and the residual value of the plant, as allocated for Reparations, after all this wasted work, was only 10,000,000 Reichsmarks, about a third of what the dismantling itself had cost. Many useful machines were simply broken up and sold as scrap. In buildings which were demolished on the

orders of the occupation authorities, structural steel parts which could well have been used for the repair of bridges or other buildings, and in some cases even whole cranes, were cut up to scrap size to be re-melted in the furnaces of Allied steel mills. It is true that, at the end of the war, all the Allied countries were desperately short of scrap, but the way the Krupp demolitions were carried out seemed to show a reckless lack of forethought. At times even the Krupp workers themselves 'downed tools' in protest at what seemed to them reckless destruction. Before the dismantling was halted early in 1951, it had accounted for 201,000 tons of machinery and equipment and the value of the property thus lost to the steel works totalled 162,000,000 Reichsmarks.

Through those years immediately after the war, the handful of Krupp officials who stayed on to work under their British controller did their best to delay demolition, to restart such works as might be restarted—such as, for instance, the locomotive works which was the only place where the urgently needed locomotives of the British zone could be repaired—to salvage what they could for 'Mr. Alfried'. But Alfried Krupp himself had at that moment no say in anything at all. At first he was held in custody with virtually no communication with the outside world. Then he was subjected to a long series of interrogations by military, technical and legal experts, while, in the world outside, the debate went on between the Allies themselves as to whether, and when, he should be put on trial.

The original indictment had been filed against Gustav, before the British, French, American and Soviet judges of the International Military Tribunal in October 1945. But that body had been immediately confronted with a defence application for a postponement of the proceedings, on the ground that Gustav Krupp was totally unfit to plead. The court agreed to investigate.

Six doctors, one British, one American, one French, and three Soviet Russian, travelled to the little inn at Blühnbach in which Gustav Krupp lay slowly dying and spent a morning submitting him to every possible sort of medical examination, under the vigilant eye of Frau Bertha Krupp. As they went in to the room, the old man, just a shell of a human being with eyes deep-sunken and parchment-pallid skin, greeted them with a grunt of '*Guten Tag*'. But he could not raise himself from his bed and submitted to their examinations and tests weakly and

passively, with no more words than an occasional low growl of '*Donnerwetter*' when they caused him momentary discomfort. There could be no doubt at all that Gustav Krupp would never again appear before any tribunal except that final court of judgment after his life had completely ebbed away.

The doctors' testimony was presented to the Nuremberg court next day on 7 November, 1945. It read:

We the undersigned examined on the morning of 6 November, in the presence of his wife and nurse, the invalid identified by the military authorities as Gustav Krupp von Bohlen.

We unanimously agree that the invalid is suffering from senile softening of the brain . . . and that the state of his health is such that he is unable to follow the proceedings before the court or to understand or co-operate in any interrogation. The physical condition of the invalid is such that he cannot be transported without danger to his life. We believe, after due consideration, that his condition is not likely to improve but rather to deteriorate. Consequently we are unanimously of the opinion that he will never be in a physical or mental state to appear before the International Military Tribunal.

This certificate was signed by Brigadier R. E. Tunbridge, medical officer of the British Army of the Rhine, by Dr. Bertram Schoffner of the United States Army, by Dr. René Piedelièvre, Professor of the Faculty of Medicine in Paris, and by three Soviet medical men.

One week later Lord Justice Lawrence, as President of the Tribunal, announced the court's decision on Gustav Krupp. He said that the court accepted the conclusions of the medical commission, against which neither the prosecution nor the defence had raised any objections. A plea by the prosecution that Gustav Krupp should be tried in his absence was rejected since 'it would not be in the interests of justice that the trial should take place in the absence of the accused'. But the accusations against him were formally maintained on the records of the court against the possibility that a trial might take place at a later date. It never did, it never could have done. For nearly five years more Gustav Krupp lived on, helpless, dumb, and almost motionless, with apparently no recollection of all the things that had passed and virtually no recognition even of his devoted Bertha who, throughout that time, hardly left

him day or night. Finally the man whose name had stood as a symbol of German arms in two world wars, who had acquired riches and power and received the praises of both an emperor and a dictator, who had lived all his life in a palace, slipped almost unnoticed from half-life into death on a simple bed in an old coaching inn on 16 January, 1950.

The decision of the Nuremberg Court not to put Gustav on trial brought an immediate plea from the prosecution that the name of Alfried should be added to the original indictment and that the son should stand in the dock in the place of the father. But this plan, too, was rejected by the Nuremberg International Court. And so the controversy about the trial of Alfried Krupp continued. The British and French Governments wished to have no part in the trial, taking the view that it was unjust to visit upon the son retribution for sins which, at least initially, had been committed by the father. The Americans considered it no less unjust that either Krupp should be called before a public tribunal to answer for the actions of the firm.

Alfried Krupp remained in custody for two years and four months before he knew that he was to be put on trial and an indictment was served on him. In that time he was moved from one camp and prison to another, but was consistently refused consultation with his legal advisers. Only in August 1946, just over a year before his trial began, was he at last permitted to engage counsel and start in earnest to build up his defence against the great weight of accusations which were now to be made against him. For more than two years the investigators of the prosecution had been burrowing among the official records both of the firm of Krupp and of the Nazi Government to build up the case against him. His prospects looked dark indeed.

CHAPTER SIX

THE TRIAL

WHATEVER may be thought, at this distant date, of the rights or wrongs of the case made out against Alfried Krupp, it is clear that the trial itself was none too satisfactory. It was conducted in an atmosphere of legal bickering and political polemics, the three American judges were not unanimous in their final decisions, and a vast amount of irrelevant evidence was introduced by both prosecution and defence.

The veritable mountain of affidavits, testimonies, and documents of every kind accumulated before the trial began was in itself enough to obscure the basic issues. To anyone impartially studying the long shelves of dossiers which constitute the record of the proceedings, it seems almost as though the lawyers of both sides had determined that if the case they were presenting was not the best that could be presented it must at least be the biggest. Ranging over a vast field of pre-war history, books, publications, Nazi speeches, and Krupp inter-office communications, the prosecution had apparently taken the line that, in the matter of Krupp, any stigma was good enough to beat a dogma with—and the defence reacted in kind.

The case lasted from 16 August, 1947, when the indictment was filed, until 31 July, 1948, when the final sentence was passed. The English transcript of the court proceedings runs to 13,454 mimeographed pages—well over four million words. The prosecution introduced into evidence over 1,400 written exhibits, and the defence more than 2,800. The testimony of over two hundred witnesses was heard by the tribunal or taken before commissioners appointed by the tribunal (often without the defence lawyers being present). The vast

extent of the trial proceedings prevented them ever being adequately reported in the paper-rationed Press of the post-war years, so that the rights and wrongs of the Krupp case were never adequately put before world opinion.

The Krupp defendants were charged under the same four main counts on which Göring, Hess, Ribbentrop, and the other chief war criminals had been convicted—namely, crimes against peace in planning and waging wars of aggression; war crimes and crimes against humanity in plundering occupied countries and employing slave labour; and with participation in a common plan or conspiracy in the commission of those deeds. The document of indictment itself was immense; it comprised fifty-one pages and was divided into sixty-five headings. It included an historical sketch of the whole period of the existence of the firm of Krupp which it linked with the very pattern of German militarism. The indictment did indeed appear an unwieldy document.

The lawyers for the defence complained that they worked under a multitude of difficulties. The case was conducted according to American court procedure, which, while it may have had merits of its own, was strange and unfamiliar to the German advocates. The prosecution had been working on the case almost since the end of the war, while the defence had been able to begin compiling their own dossiers only after the Krupp directors had been officially indicted. When Alfried Krupp, believing that an American defence counsel would be better acquainted with American legal procedure, asked that the American lawyer Earl J. Carroll should be admitted to participate in the defence, the court declined to entertain his application. Indignantly, Alfried retorted by saying that he would relinquish all defence of any kind. His German counsel Kranzbühler supported him by resigning his brief. The court in turn retorted by appointing Kranzbühler official defence counsel, thus putting him into a position where he could not refuse to act. Later in the trial, as a protest against the court's decision to allow some witnesses to be examined elsewhere by American judges, one of the defence counsel intervened so emphatically that he was excluded from further participation in the proceedings. Whereupon all the rest of the German lawyers of their own accord left the courtroom with him. They were brought back to the court under military escort and six of them went to prison for three days for contempt of court.

And thus it was in an atmosphere of frigid hostility between judges and counsel that what came to be known as 'Case number 10', the Krupp trial, was conducted.

An unorthodox incident in the days of the preparation for the trial came in the form of a whole series of letters and petitions on behalf of Alfried Krupp which were addressed to the 'High Council of the Allied Nations, Tribunal of War Crimes in Nuremberg' under the name of employees of the Krupp firm. They were all couched in more or less similar terms: 'We, the workers, personnel, labourers, employees, and pensioners of the firm of Fried. Krupp, Essen, are most deeply impressed and feel the greatest sympathy for our family Krupp von Bohlen und Halbach, with its son Alfried, whom we all revere, and which family serves as a model in every respect. They must endure much sorrow at this time because of court proceedings. We the undersigned, therefore, request the honourable gentlemen of the Allied Nations to propose for the family Krupp an early acquittal. Under the brutal régime of force by the Nazi Government there were many things done with which we did not agree.'

It was never explained who had inspired those letters and, of course, in the post-war atmosphere of those days, they had little or no effect.

And so it came to pass that on the morning of 8 December, 1947, Alfried Krupp and eleven leading members of the firm took their places in that same panelled courtroom in Nuremberg in which the major war criminals had already been sentenced by the International Tribunal. The twelve of them sat in a line along the front row of the dock, with Alfried taking the seat which had once been occupied by Hermann Göring. Next to him was the burly figure of Eduard Houdremont, who had been head of several Krupp plants, and next to that Erich Müller, with whom Alfried had been particularly closely associated, since he was the head of the artillery designing department. Then, from left to right along the row came Ewald Loeser, who had left the Krupp board when Alfried took full control in 1943, old Friedrich Janssen who had taken his place, and the remainder of the accused. These comprised: Karl Pfirsch, head of the war materials sales department; Max Otto Ihn, concerned particularly with staffs and intelligence; Heinrich Korschen, trustee for Krupp's war-time enterprises in eastern and south-eastern Europe; Karl Eberhardt;

Friedrich von Bülow, chief of military and political counter-intelligence at Krupp, Essen, and direct liaison with the Gestapo and SS; Werner Lehmann, in charge of the supply of labour; and Hans Kupke, head of the experimental firing ranges at Essen.

Across the courtroom from them sat the three American judges, backed by the banner of the Stars and Stripes; in the centre—old, hollow-eyed, and looking like a desiccated eagle—sat the President, Hugh C. Anderson, who was seventy-five and had been one of the judges in the Court of Appeals of Tennessee. Judge Anderson suffered from stomach trouble and during the months of the trial had several times to absent himself from the proceedings. By his side sat his two colleagues, Edward J. Daly (fifty-five), serious and bespectacled, a member of the Superior Court in Connecticut, and, most alert and incisive of the three, William J. Wilkins (fifty) from the Superior Court of Seattle in the State of Washington. The courtroom in between was crowded with the tables of the legions of the opposing counsel and their assistants. And around the court were posted the guards of the American military police, several of whom were drawn from the coloured contingent of the United States Army.

So at last, after the necessary formal preliminaries, the trim, uniformed figure of Brigadier-General Telford Taylor, the American Chief Counsel, stepped to the speaker's podium to make the opening statement for the prosecution.

'In opening a case of such historic import,' General Taylor said, 'there is a natural impulse to dramatize the occasion by ringing all the changes on the name "Krupp", which was described two years ago by Mr. Justice Jackson as the focus, the symbol, and the beneficiary of the most sinister forces engaged in menacing the peace of Europe.'

Krupp and the German militarists, General Taylor declared, were 'the indestructible common denominator of Germany's murderous and obstinately repeated lunges at the world's throat'. Of all the names that had become associated with the Nazi trials none had been a household word for so many decades as that of Krupp.

The prosecution did not seek to level any attack on the business of making arms. Nor were the defendants being prosecuted for the sins of others or because the name of Krupp had acquired over the years a sinister sheen. It was true that the charges arose from acts committed

by, or in the name of, the Krupp firm, and most of them were committed by the defendants in their capacity as Krupp officials. But no man in the dock was named because of his association with Krupp. The prosecution was confident that it could prove his personal responsibility.

They were not dealing with men who rose to power on the crest of the Nazi wave, though it was significant that most of the defendants were members of the Nazi Party. They were at grips with something much older than Nazism, 'something which fused with Nazi ideas to produce the Third Reich and its pernicious vitality'.

General Taylor next turned to the history of the firm of Krupp, which, he said, would shed most light on the defendants' motives.

The opening statement was so long that the other counsel for the prosecution had to take it in turns to read portions of it, while Alfried, in his corner, with the translation earphones on his head, sat listening impassively.

The statement described how the Versailles Treaty was no more than a scrap of paper to the House of Krupp. Between the Armistice of 1918 and July 1919 it managed to manufacture 315 new guns and repair nearly 250 more. In spite of the presence of an Allied control group under a British colonel, Krupp managed to circumvent the disarmament clauses of Versailles and to prepare against the day when Germany must fight to rise again.

A large portion of the opening speech was devoted to the part played by Gustav Krupp in the rise of Hitler and the Nazis. By 1937 Krupp were helping to build a Navy intended to equal Britain's. Three battleships a year were to have been laid down until 1944, when the 'E' programme would be completed. The outbreak of war interrupted the programme, but not before Krupp had provided armoured plate and guns for almost every major German warship which later faced the Allied fleets. Close liaison between Krupp and the German high command ensured that deliveries of armaments were withheld in good time from countries on the invasion list.

Step by step, General Taylor took the court through the story of Gustav Krupp's support for the Nazis and his part in the rearmament of Germany. In this part of his speech there seemed to be much more

about Gustav than about Alfried Krupp, but at one point he recalled that, in recognition of the importance of the activities of several of the defendants, including Alfried Krupp himself, they had all been designated by the Nazis 'War Economy Leaders' and charged with the responsibility of preparing and carrying out the mobilization of the armament industry and of directing it in time of war. In this connexion Alfried Krupp had been called on to submit a so-called 'declaration of political attitude' in which the formal statement was made. 'I herewith declare that I stand by the National-Socialist conception of the state without any reserve and that I have not been active in any way against the interests of the people.'

Turning to the second count of the indictment, 'Plunder and Spoliation', the prosecuting statement declared, 'Close behind the legions of the Wehrmacht, armed by Krupp, came swarms of German agents and officials, organized for plunder where the Wehrmacht had conquered. This criminal spoliation was an integral part of the programme of conquest, and not an accidental by-product of the war.'

Finally on the accusation of 'Deportation, Exploitation, and Abuse of Slave Labour', the statement declared that the RVE (Reich Iron Association) and RVK (Reich Coal Association), of both of which Alfried Krupp was a leading member, collaborated closely with the Wehrmacht and the SS in forcibly procuring workers. Alfried Krupp had on numerous occasions taken part in meetings of the central planning board concerned with these matters, and was referred to by Albert Speer as one of the 'three wise men' of the Reich Iron Association. 'At these meetings, the representatives of the RVK and RVE submitted their demands for manpower and participated actively in the criminal planning and demands of the board for the procurement and allocation of slave labour. On 22 July, 1942, the defendant Alfried Krupp, representing the RVE, attended a session of the Central Planning Board together with Speer . . . and others in the course of which it was decided to impress 45,000 Russian civilian workers into the steel plant, 120,000 prisoners of war and 6,000 Russian civilians into the coal mines and to place the medical standards for recruiting prisoners of war lower than those required of Germans employed in coal mines.'

The statement added, 'The defendant Alfried Krupp attended with

regularity the meetings of the RVE and was given full reports of meetings which he missed. Circular letters, reports, and other documents issued by the RVE on the treatment of foreign workers, reveal his knowledge of and responsibility for the labour programme as adapted to the iron industry.' The extent of the slave labour programme in Krupp's own plants, said the statement, could be measured only approximately because complete central records had not been found. But records at Essen revealed that on one date about 75,000 slave workers were being used in Germany by Krupp. Krupp plants in Germany employed at least 70,000 foreign civilian workers from countries under German occupation, and also at least 21,000 French, Russian, and Yugoslav prisoners of war, and over 5,000 concentration camp inmates and so-called political prisoners of many nationalities.

It was probably this section of the prosecution statement dealing with slave labour which made the greatest impression on the court, for here it seemed that actual evidence could be brought to indicate that Alfried Krupp could not have been ignorant of everything which had occurred and that many of the events referred to took place after and not before he had taken over the leadership of Krupp in 1943. Thus it was recorded that another of the defendants, von Bülow, the chief of the military and political counter-intelligence section at Krupp, had been in correspondence with the Nazi authorities regarding the punishment of prisoners of war employed in the Krupp plants. An agreement had been reached in October 1943 that, where a prisoner of war had offended in such a manner that minor disciplinary measures would not suffice, then the prisoner of war 'will be turned over to a military court, except the Russians, who are to be brought before the State Police. In such cases, the State Police always impose the death sentence, for the execution of which a *Kommando* [detachment] of other Russian prisoners of war may be used.'

Von Bülow embodied the terms of this agreement in a note to the defendant Lehmann, adding, 'I wish to request that in the future such cases be handled according to the concluded agreements. However, I request that the contents of this note be treated as confidential, particularly in view of the death penalty.'

Krupp's largest concentration camp was at the Berthawerke, in Markstädt, where 5,000 concentration camp workers participated in

building the plant. When the time came to commence production, the proposal to use concentration camp labour, which had been forwarded by the defendant Korschen and approved first by the defendant Müller, was then approved by the *Vorstand* (board of directors) in Essen; and thousands of concentration camp inmates were then established in camps, including Fünfeichen, as *Aussenlager* (annexes) of the notorious Gross-Rosen concentration camp.

Not content with exploiting concentration camp labour in its permanent plants, Krupp actually went inside the confines of the concentration camps to establish plants. In 1942 the defendant Müller reported upon a project to make parts for automatic weapons at the infamous Auschwitz concentration camp, and the defendants Alfried Krupp and Loeser approved an appropriation of 2,000,000 marks for this purpose. In 1943 these plans were successfully carried out; it was to this plant—where the greatest and most horrible exterminations of all time occurred—that these defendants arranged with the Speer Ministry to transfer some five hundred Jews who had been working in or near Berlin.

The statement added that, having experienced the benefits of exploiting concentration camp labour, the defendants had used such labour at several other Krupp plants, including Geisenheim, Norddeutsche Hütte, Deschimag, and Weserflug. They had obtained concentration camp inmates for use even in plants in occupied countries such as at Almag in Mulhouse, France.

Finally, General Taylor's statement recalled that even children had been involved in Krupp war-time arrangements. He pointed out: 'In a camp maintained by Krupp for the children of eastern workers, the children were often permanently separated from their parents. This camp, Voerde-West, was approximately sixty kilometres from Essen, and it was almost impossible for the workers to visit their children there. Moreover, the mothers were moved without their children, at the whim of the defendants, to other Krupp plants; and the children were, likewise, turned over to the Reich authorities and removed without the knowledge of the parents. At Voerde-West, the children died by the score of disease and neglect.'

And, winding up his long indictment, General Taylor said, 'The tradition of the Krupp firm and the "social political attitude" for

which it stood, was exactly suited to the moral climate of the Third Reich. There was no crime such a state could commit—whether it was war, plunder, or slavery—in which these men would not participate.'

So extensive was the prosecution's case which had to be examined by the court that more than three months passed before the first of the statements for the defence could be heard. But finally the opening statement on behalf of Alfried Krupp was presented to the court on 22 March, 1948. Alfried's counsel opened by pointing out that the prosecution had had far longer to prepare their case than the defence, and that moreover the original indictment had not made it clear which charges were brought against which defendants. 'The defence is forced therefore to refute charges which are totally ambiguous. This is particularly true for my client who publicly is being held responsible for things which occurred before his birth, before his entering the firm, and before his acceptance of the chairmanship in the *Vorstand* of the Krupp firm.'

Alfried Krupp's counsel also questioned seriously both the legal status and the methods of procedure adopted by the court. Bluntly he stated, 'The entire evidence of the prosecution is in no way direct but rather only circumstantial. Not one of these defendants started a war himself or took anything himself or maltreated anybody at all. The prosecution attempts, however, by means of a chain of hundreds of facts or assumptions, to connect the individual defendants with such acts, acts which they themselves did not commit.' And when defence counsel pointed out that some of the 'crimes' alleged in the indictment had been committed by the firm of Krupp at a period when Alfried himself was only ten years old, some observers in court were inclined to admit that a valid point had been scored.

A concluding passage of the defence statement put the Germanic point of view with a certain compelling force. Counsel appealed to the three American judges to try to view everything that had happened through German eyes. He said: 'Much can be understood only by him who experienced it himself: the extraordinary mixture of genuine love of one's country and unhealthy nationalism, of justified consciousness of one's self and racial superiority: the harmony between voluntary readiness for sacrifice and terroristic force, the intermingling of faith, self-deception, and betrayal. We have heard the opinion often enough

that all that really did not actually exist, that these are things which the Nazis have now thought up to excuse themselves. He who approaches the problems of the war period and the time before the war with this point of view will never understand them properly. This tribunal is meant to judge the individual guilt of men who lived at this time and in this country. It will not close its eyes to the necessity of concerning itself, without prejudice and with the desire to understand, with the events which actually determined the thoughts and decisions of the defendants.'

A couple of weeks after the opening statements had been made for each of the defendants, the defence as a whole scored a notable victory. All the defendants had been charged with crimes against peace in counts 1 and 4 of the indictment. But almost immediately after the conclusion of the prosecution's main case, in early March, the German lawyers agreed among themselves upon a dramatic move. They filed a motion for an acquittal of all the defendants under both the aggressive war counts on the ground that the prosecution had completely failed to prove its case in this respect. And, somewhat to the astonishment of the German defence, the court granted this motion on 5 April, finding that the prosecution had in fact not proved a *prima facie* case of guilt regarding any one of the defendants. This was indeed a blow for the prosecution and was one of the factors which seemed to suggest that if the whole case against Krupp had been made more concise and to the point the success of the trial as a whole might have been greater.

As Judge Anderson pointed out on this matter in his final judgment, 'There is, in fact, no serious contention that the activities of the defendants in connexion with the rearmament programme were accompanied by guilty knowledge of the concrete plans of the Nazis to wage aggressive war.'

But on the two counts of the plunder of foreign countries and the employment of slave labour the prosecution was considerably more successful, the defence at times decidedly uneasy. This section of the trial, in which the prosecution sought to prove the acquisitive instincts and acts of Alfried Krupp and his associates, was not without its lighter moments. One of these came with the story of an odd little incident which was revealed in the testimony of one of the witnesses, Dr. Arthur Ruemann, an art historian and later Director of the Munich Municipal

Art Collection. Dr. Ruemann related how he went to lunch, on 18 May, 1940, with an old family friend, a businessman of the Henkel-Persil soap concern named Luebs, in his flat in Düsseldorf, at which two other German businessmen were also present. During the luncheon, the telephone rang and, after answering it, Herr Luebs told the other guests, 'Young Krupp is coming over later.'

After luncheon, the party adjourned to an adjoining room and sat down at a small table. There they were joined by Alfried Krupp, who sat down with them to listen to the two o'clock news on the radio. Herr Luebs spread out a map on the table. The radio bulletin was full of news of how the German Army was sweeping on in the West, of its advance into Belgium, of the consolidation of the occupation of Holland. Soon, said the announcer, there would be the possibility that leading members of German economic life would be able to travel in Holland again.

At this announcement, so Dr. Ruemann told the court, 'The tension of the gentlemen present grew perceptibly. The radio was shut off, or was turned down, and now the four gentlemen—I was standing behind them—were sitting around the table and pointing with their fingers to certain places in Holland.' They talked excitedly and with great intensity. One of them would say, 'Look, here in that place is Mr. ——, that place is yours. There in that place is Mr. ——, he has two plants, well, we'll have him arrested . . . ' and so it went on.

It seemed clear beyond a doubt to Dr. Ruemann that the little group of Alfried and his friends were discussing the division among themselves of possible places of interest.

Telling the court of this incident Dr. Ruemann said, 'I was utterly disgusted with the behaviour of the four gentlemen, who before that had seemed to me very nice young men. I was amazed with what ruthlessness these people, all of whom were educated persons, divided the people and property of a foreign country. I was so disgusted that I put my hand on the shoulder of my host and said, "Mr. Luebs, may I take my leave? I don't seem to be in the right place here." The four men round the map of Holland,' recalled Dr. Ruemann, seemed to him to be 'like vultures gathered around their booty'.

Somewhat sourly, the counsel for Alfried Krupp objected that it was extremely unlikely that his client would have expressed himself in such

primitive terms, and that in fact it was probably nothing more than the location of soap factories which had been discussed.

With regard to the allegations of spoliation and plundering, a great mass of evidence was submitted telling of specific acts of spoliation which had occurred in such places as the Austin plant at Liancourt, France, the Almag plant at Mulhouse, the machines taken from the Alsthow factory in Belfort, and machines and materials removed from Holland. These charges were never answered individually by the defendants because, as a result of the original 'incident' of the German counsel condemned for contempt of court, Alfried Krupp and all the other eleven men in the dock had resolved to refrain from making any personal statements during the rest of the trial, except at its conclusion. And they persisted in their 'silence strike' right through to the end.

Reduced to its elements, the charge of spoliation made against the firm of Krupp came down to the claim, by the prosecution, that its directors had taken all too seriously the advice given in a speech made on 6 August, 1942, by Hermann Göring to the various German authorities in charge of eastern occupied territories. On that occasion Göring had said, 'God knows, you are not sent out there to work for the welfare of the people in your charge, but to get the utmost out of them, so that the German people can live. That is what I expect of your exertions.' Accordingly, claimed the indictment, Alfried Krupp and his associates had participated intensively in the formulation and execution of Nazi policies of spoliation by 'seeking and securing possession through duress in derogation of the rights of the owners, of valuable properties in the territories occupied by Germany for themselves, for Krupp and for other enterprises owned, controlled, and influenced by them . . . by abuse, destruction, and removal of such property, by taking possession of machinery, equipment, war materials, and other property known by them to have been taken by themselves and by others from occupied territories.' And the indictment added, 'The defendant Alfried Krupp was especially influential and active . . . and he travelled in the occupied countries to organize their spoliation and plunder.'

Briefly, the defence reply to these charges was that whatever had been done had been done either in the normal course of business activities or in the execution of Government Orders.

Undoubtedly, it was when the prosecution came to deal with the

condition of the slave labourers employed by Krupp that it scored some of its most effective points. For it was impossible not to obtain a vivid picture of the abundance of human misery which lay recorded in the pile of mimeographed sheets which supplied the evidence in this connexion. The dossiers presented to the court included 'work cards' bearing identity photographs of hollow-eyed little boys sent to work in Krupp factories and looking as though their world had already collapsed about them, of coldly formal registration documents recording the death—almost invariably of malnutrition—of babies and small children who had been separated from their mothers and put into the Krupp children's camp, of stories of workers almost dead for lack of food and withstanding the air raids without adequate shelter, while their Nazi guards went to secure concrete bunkers.

There was the embarrassing exchange of memoranda between a works manager and the defendant von Bülow on the subject of whips for the workers. This ran as follows:

Fried. Krupp, Essen — Open Hearth Plant
Martinwerke 7. 21/9/1944

To: Mr. von Bülow,

We still need urgently 10 leather truncheons or similar weapons for clubbing for our shock squads. As we have learned you still have such items in store we beg you to hand over the requested ten pieces to the messenger.

Signature: Linder

For discussion with H. Wilshaus:

Do we still have any weapons of the black jack type?

25 September — Von Bülow

To: Mr. von Bülow,

I can supply the ten leather truncheons, or steel birches.

Wilshaus

Nor did some of the witnesses called for the defence in this connexion always make the hoped-for impression. There was for instance Anna Doering, who had taken over the management of the children's ward of the Voerde camp after the previous manageress had died from diphtheria in December 1944. Mrs. Doering had previously been in charge of the kitchen. Although a previous witness had stated that forty-six of

the children in the camp had died between October 1944 and February 1945, twenty-three of them through general weakness, Mrs. Doering, who admitted that she had had no previous experience of child care, stoutly maintained that there had been nothing wrong with the children, the food, or the camp itself. But under cross-examination, she was unable to give any estimate of the maximum number of children the camp could accommodate. Explaining, 'I can't do that because from time to time a few of them died and there were also a number of new arrivals, but I never worried about it because I had nothing to do with that.'

QUESTION: 'How many children were alive at any one date? Can you remember?'

ANSWER: 'No.'

QUESTION: 'Do you know how many died from September 1944 to January 1945?'

ANSWER: 'No, I don't know.'

QUESTION: 'Do you know what the cause of death of most of these children was supposed to be?'

ANSWER: 'No, I cannot find an explanation for that and never could.'

Finally, Mrs. Doering indignantly denied the suggestion that the dead children in the camp had been cremated. With some self-satisfaction she told the court, 'No child was ever cremated. They were always put in a nice coffin and got a proper funeral.'

Later in the case the prosecution produced a number of men and women who had themselves worked under slave conditions in the Krupp factories. One typical witness in this group was a twenty-five-year-old Czechoslovak girl named Elizabeth Roth, who at the beginning of 1944 had been sent to Auschwitz concentration camp with her whole family. Her father and mother had died in the gas chambers there but she and her sister, being young and healthy, had been sent to Germany to work, and had eventually arrived at the camp in the Humboldtstrasse.

When Elizabeth Roth was asked to tell the court something of the living conditions in that camp, she said, 'When we arrived at Essen we lived in wooden barracks. It was in August. On 23 October there was an air raid when all barracks were burnt. Then we moved in to one barrack, all the five hundred of us, where the kitchen was before. We stayed

there until 12 January, when there was another air raid. Then we moved into the cellar; we worked, no light, no heat, no baths, nothing at all.'

Elizabeth Roth was sent to work in one of the Krupp rolling mills. She said that some of the workers frequently went without any meals at all for twenty-four hours at a time and they never received any breakfast.

QUESTION: 'Did any of the SS guards ever say to you when you complained about the food, "Ask Krupp about that"?'

ANSWER: 'Yes, that was the answer from the SS men and women: "You work for Krupp, ask it from Krupp."'

Later Elizabeth Roth told the court, 'We were beaten in the factory and beaten in the camp. We were kicked. We were beaten by the SS men, not by the soldiers, but by the SS men in the factories.'

In the final days of the war, she said, the SS guards used to tell the girls, 'You will always have five minutes to live; in the last five minutes we will kill you.' This she took to mean that they would be killed in the last five minutes before the end of the war. Therefore, when she heard that all the women workers from the camp were due to be sent back to Buchenwald, she and her sister had determined to escape. They had managed to do so thanks to the help of some friendly Germans living in Essen.

So the story of the Krupp slave labour went on, with the prosecution producing its witnesses who told of their experiences and its documents which showed the cold-blooded way in which the procurement of labourers had been discussed in the Krupp administration.

The defence's answer to all this was, in essence, that the Krupp factories had been forced to accept what labour they could obtain, because of the difficulties of war-time conditions, and also that Krupp officials themselves had no control over camps which were administered by the Gestapo. The defence argued—and produced a number of documents which did indeed show—that in many cases Krupp officials had intervened in an effort to obtain better food and better living conditions for the workers employed in their plants.

To all these arguments, as they were tossed back and forth, Alfried Krupp listened silently and impassively from his corner seat in the dock.

His masklike face rarely betrayed even a trace of emotion either at the accusations made by the prosecution or the claims made on his behalf by the defence. It was exceedingly difficult for anyone to tell what was really passing in his mind.

But some idea of the attitude of Alfried Krupp towards this whole problem of the employment of foreign workers in Krupp plants was given to the court in the form of an affidavit, which had been signed by him before the trial began. In this statement, Alfried Krupp had declared that the Directorate of Krupp had 'only against its will' and 'only due to the pressure of circumstances' put up with the fact that other than German workers, and especially non-voluntary workers, had to be employed. 'These circumstances consisted, on the one hand, in a certain moral pressure exerted by the authorities in regard to an intensive production programme, and to the employment of non-German workers, and, on the other hand, in the fact that the normally available man-power resources became more and more inadequate and finally gave out completely.'

Alfried Krupp emphasized that the 'natural objection of the Directorate to the employment of foreign, especially involuntary workers' became even more pronounced when later, 'again under the pressure of external circumstances, man-power had to be covered by the utilization of concentration camp inmates'.

Alfried agreed that he personally had known that the labour of a great many prisoners from concentration camps was utilized in the construction work, in 1942, of the Berthawerke in Markstädt near Breslau. He added that he was not sure whether this was carried out under the auspices of the Krupp firm itself or whether it occurred in the course of operations by the 'Organization Todt' under Minister Speer. But he agreed that, later, prisoners from concentration camps estimated to number something between one and ten thousand had been used at the Berthawerke itself. He himself had visited Markstädt four or five times and once had seen the concentration camp prisoners used for construction purposes and had also seen the nearby concentration camp.

With regard to the fuse factory constructed inside the concentration camp of Auschwitz, Alfried Krupp said that he and his fellow directors had viewed this plan with disfavour from the start. He added, 'We

agreed to get out of this Auschwitz affair as soon as possible, with the stipulation that the continuation of fuse production by Krupp be not jeopardized thereby. I do not believe that actual operations in Auschwitz ever materialized.'

Alfried Krupp continued, 'In regard to the employment of concentration camp prisoners at plants in Essen itself, I only know one thing, that in 1944 approximately five hundred female concentration camp prisoners were assigned to us and that on account of it we were very disagreeably affected and made several attempts to get rid of them as soon as possible.' He personally had learned of the intended allocation of these female prisoners only shortly before their arrival, that is at a moment when their arrival could no longer be prevented.

As for responsibility for the reported cases of ill-treatment of workers in the Krupp camps, Alfried Krupp put the burden squarely on the shoulders of his subordinates. He said, 'If I am told that numerous cases of ill-treatment of foreign workers of all kinds occurred in the Krupp plants, I can only reply that it did not become known to me and that I possibly have not been informed of such cases by the subordinate gentlemen. I placed full confidence in all my colleagues that they, by their own initiative, would strive to eradicate any possible intolerable conditions of this kind.' He remembered that complaints had frequently been made of foreign workers getting insufficient food. The cause of such conditions had a twofold origin: on the one hand it was attributable to the official regulations determining the rations in detail, and on the other it was attributable to technical difficulties in procuring food and the transport of the prepared meals. The Directorate of Krupp had always taken, or caused to be taken, measures to abolish such bad conditions as quickly and thoroughly as possible. The difficulties which had arisen over the housing of the foreign workers, added Alfried Krupp, had resulted partly from the fact that certain barracks or other camps had not been completed in time for the arrival of the workers, as they should have been according to contract, and even more as a consequence of the severe air raids on Essen.

And so the trial wore on, with prosecution and defence wrangling interminably about the individual responsibility and actions of each of the twelve defendants. Finally, on 30 June, 1948, Alfried Krupp rose to make his only speech of the trial—a final statement on behalf both of

himself and of his co-defendants. He spoke quietly, firmly, and unemotionally as he told the Court:

When in 1943 I became the responsible bearer of the Krupp name and tradition, little did I anticipate that this legacy would one day bring me into the defendant's dock, just as little as my associates anticipated it when, years and decades ago, they joined a firm whose good reputation seemed unshakeable. And yet the name of Krupp was on the list of war criminals long before the end of the war, not because of the charges which the prosecution is compiling against us now, but because of a notion which is as old as it is fallacious: 'Krupp wanted war and Krupp made war.'

You gentlemen of the Tribunal have recognized the notion for what it is, a misconception with some, with others a lie.

As a member of the fifth generation which produced steel, the fourth generation which forged weapons, I should like to add one thing. Never in my parents' home nor in my family did I hear one word or experience one act which welcomed or promoted any war at any place or at any time. The symbol of our house does not depict a cannon, but three interlocked wheels, emblems of peaceful trade.

Alfried Krupp argued that if, as originally intended, his father could have taken his place before the international tribunal along with the major war criminals, his innocence of the crimes alleged would certainly have been proved and the name of Krupp vindicated. He said, 'The very existence of many of his co-defendants, their knowledge and their deeds would have spoken on his behalf. These men are dead and now their plans of which we did not know, their conferences in which we did not participate, are to incriminate us. We are to answer for a system which we did not create and which we only incompletely knew, and of which in many cases we disapproved. The living creators of this system would have testified on our behalf. Are the dead to speak against us now?'

The essence of the charge in the present trial, said Alfried Krupp, was, 'You co-operated'. He continued, 'No one will be able to hold it against us that in the emergency of war we took the path of duty, a path which millions of Germans had to take at the front and at home, and which led them to death. If we are being charged with having plundered the occupied territories, this charge will remain incomprehensible to

anyone who knows international economic relations. Economics go beyond national borders in peace as well as in war.'

With regard to the conditions of foreign workers, Alfried Krupp said he did not wish to belittle the seriousness of the incidents which had been mentioned, but he added, 'Not even the prosecution maintains that we wanted or caused such incidents. They charge us with indifference towards the laws of humanity. This charge we take seriously. In our enterprise man was always more important than money. My whole education taught me to make our enterprise serve the men who worked in it, many of them in the second and third generation. This spirit filled the entire plant. Can you believe that something which took a century to grow can suddenly disappear? We all, defendants and our tens of thousands of workers and employees, do not believe it. We worried and toiled under conditions which are very difficult to understand and judge in retrospect. Indifference towards the fate of our workers is a charge which we do not deserve.

'Gentlemen of the Tribunal, the defendants before you did their duty in the war and are conscious of no violation of the laws of humanity which form the basis for a united and peaceful world.'

And so the last words of the Krupp trial had been spoken, except for the final judgment, given on the following day, and the sentences. The judgment was of enormous length and went into great detail about how the court had arrived at each of its findings. It found that the charges of plunder had been proved against six of the defendants and the charges of slave labour against all of them except Karl Pfirsch, who was acquitted. On the slave labour issue, the judgment declared that there was absolutely nothing to suggest that concentration camp labour had been forced on the Krupp firm. The sentences in detail were as follows:

Alfried Krupp	P, S	12 years and confiscation of property
Ewald Loeser	P, S	7 years
Eduard Houdremont	P, S	10 years
Erich Müller	P, S	12 years
Friedrich Janssen	P, S	10 years
Karl Pfirsch	—	Acquitted
Max Ihn	S	9 years
Karl Eberhardt	P, S	9 years

Heinrich Korschen	S	6 years
Friedrich von Bülow	S	12 years
Heinrich Lehmann	S	6 years
Hans Kupke	S	2 years 10 months

('P' = Found guilty of plunder and spoliation)
('S' = Found guilty of slave labour charge)

But the ending was not completely satisfactory. Judge Anderson expressed disagreement with his colleagues about the sentences pronounced on the defendants and, in particular, while he concurred in the length of the prison sentence for Alfried Krupp, he dissented from the order confiscating his property. Judge Wilkins on the other hand dissented strongly and at length on the dismissal of certain of the charges of spoliation.

The world at large, however, took little cognizance of such fine points. In its latter stages the Krupp trial had been reported hardly at all in the war-weary world's Press and when the trial was ended little more was made known than the final verdicts. So Alfried Krupp went off to prison, but the world at that time was concerned with quite different matters.

CHAPTER SEVEN

THE PRISON AND THE PLAN

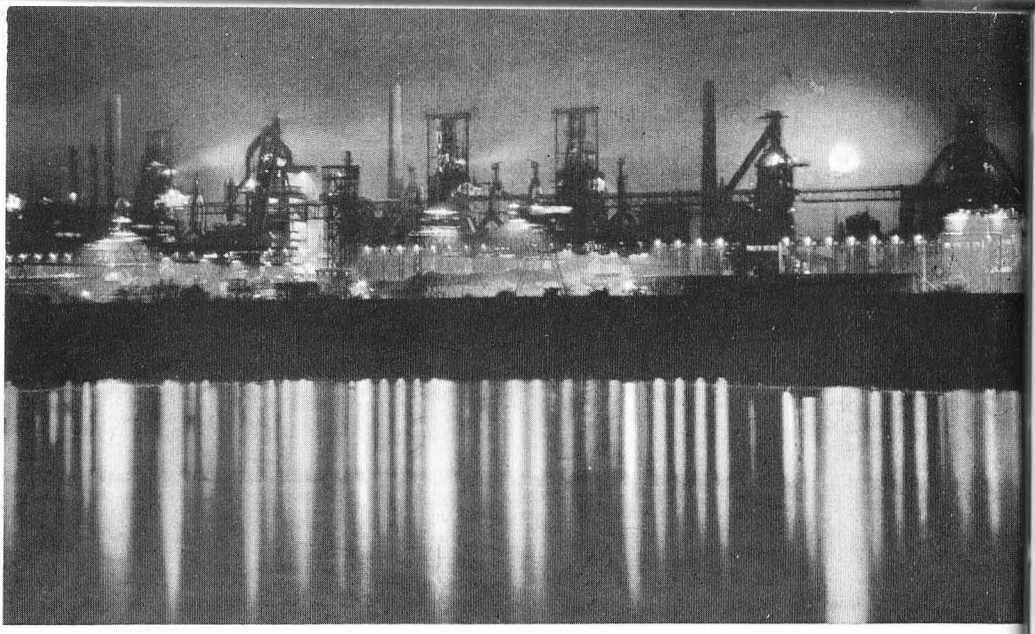
It was, in fact, precisely the world's other preoccupations at that period which were to prove the salvation of Alfried Krupp. That was not apparent at the moment when, shaken by the severity of his sentence but stolidly silent about it, he was transported from Nuremberg to the austere surroundings of 'War Criminal Prison No. 1', in the ancient fortress of Landsberg, Bavaria. But the first pointer to the way events were to develop in his favour came when Alfried had been in Landsberg jail for only ten months.

Soon after he arrived there he drew up, in consultation with his lawyers, a letter to the American Military Governor, General Lucius Clay, making a restrained and carefully worded plea for the revision of the sentence which had been passed on him. There was a long period of silence, and then, in April 1949, Alfried Krupp received his answer. General Clay issued an order 'confirming and revising' the sentence which had been imposed—and the revision was an important one. The paragraph of the Nuremberg court's original decision that Krupp's personal fortune should be confiscated in favour of the Inter-Allied Control Council was now altered to read:

All property owned by Alfried Felix Alwyn Krupp von Bohlen und Halbach on 31 July, 1948, is ordered and declared to be subject to forfeiture and confiscation by the Zone Commander of the area of control in which the same was then located, without compensation, and without regard to any transfers thereof by him that have taken place or that may take place after that date.

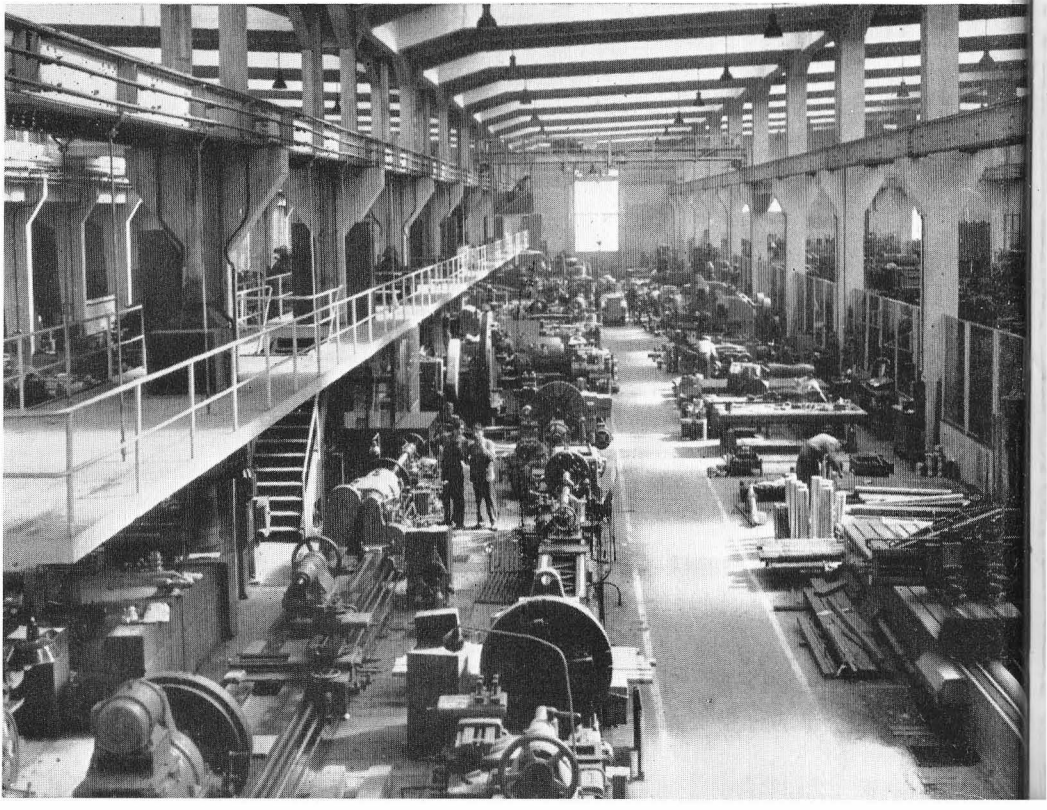
Alfried Krupp is greeted by his brother on his release from Landsberg prison

Alfried Krupp, with his second wife, formerly Vera Hossenfeldt, after their wedding in May 1952



A post-war view of the Rheinhausen steel mills, near Duisberg, their lights reflected in the River Rhine

The rebirth of the Krupp empire: the machinery shop in the plant at Duisberg in full production



In other words the confiscated property of Krupp was now virtually put completely into the hands of the Western Allies, and the Russians would henceforth have no further concern in its disposal. The move was the first open indication of the decisive change which was coming over the relations between the western countries and their former Soviet ally—and its significance was not lost on the perceptive mind of Alfried Krupp.

In point of fact a whole series of events had been taking place between 1947 and the beginning of 1949 which all served the same end of bringing about a radical alteration in the attitude of the Western Powers to the whole problem of Germany, of which the case of Krupp was only a single facet. Among these events were the rejection by the Soviets of Marshall Aid, the launching of the Cominform, aggressive Soviet pressure on Norway, then the Czechoslovak *coup d'état* and the Berlin blockade. All such moves were indications, so it seemed, of a Soviet aggressive spirit which sowed something like panic among the western nations, including America, which up to that time had been happily disbanding its forces. Gloomy prophets predicted that the Red Army would be in Paris by the end of the year, and efforts were redoubled to get the Atlantic Treaty signed—which it finally was in April 1949 just a couple of weeks after the revision of the Krupp sentence.

An immediate outcome of the Atlantic Treaty was the growth of the conviction among the men who were making western policy at that time, who ranged from the lobbyists of heavy industry in Washington to Britain's Socialist Government, that there was now an urgent need for a basic re-thinking of the German problem. The Permanent Under-Secretary of the 'German Section' of the British Foreign Office at that time was Sir Ivone Kirkpatrick, who saw his immediate task as being the establishment of a stable Germany and the consolidation of the newly elected Adenauer Government. As Sir Ivone wrote in his memoirs: 'The British and American Governments soon recognized that if Dr. Adenauer's administration was not to perish of inanition it must be given more power and something must be done to meet the Germans on the twin issues of dismantling and restrictions on German industry.' The fruits of this conviction, widely held among the policy-makers but largely concealed from the public as a whole at that time,

were seen in the agreement reached by the Foreign Secretary, Ernest Bevin, and the French in Paris in November 1949 after a stormy discussion, that Germany should re-enter the comity of the west and that the dismantling programme should be relaxed—at least in certain respects. From this decision resulted the Petersburg Agreement with the Adenauer Government which, in effect, initiated the West's 'new deal' with Germany.

To Alfried Krupp, eagerly following the news of all these developments in the tranquillity of Landsberg jail, it now became perfectly clear that world events had taken a decisive turn in his favour: there could be no doubt about it—time was on his side. He need, and could, do nothing for the moment but watch and wait, and meanwhile adapt himself as philosophically as possible to the conditions of a life which, to be sure, was rugged by comparison with existence at the Villa Hügel, but which was by no means intolerable. It is strange indeed that two 'men of destiny' should have found in the ancient fortress of Landsberg the refuge in which they could bide their time and quietly plot their intentions for the future. Alfried Krupp's sojourn there did not produce another *Mein Kampf*—but, like Hitler before him, he used his time for profitable meditation, the fruits of which were to be seen immediately he regained his freedom.

Meanwhile, his stony reserve, his capacity for rigid self-control, helped him to accept his prison life without excessive emotion. He rose at 6.30 every morning and, like the other prisoners, removed the bucket which served his personal needs in the fortress—which was far from being supplied with all modern conveniences. He ate his meals to the call of the bugle, and he shared, almost with enjoyment, in the daily physical labour of the prisoners. He washed dishes, did laundry work and, in particular, found solace in manual work in the blacksmith's shop, where, among other articles, he produced a wrought-iron crucifix for the prison chapel.

In any case, Landsberg fortress was no Buchenwald, no Auschwitz. Administered by the American Army, the prison provided its inmates not only with generous food but also with a considerable degree of freedom. Alfried Krupp could smoke, could freely read the newspapers, could conduct an extensive personal correspondence, could receive frequent visits from his lawyers. And, since all the other

directors of Krupps were in Landsberg jail as well, he could almost, throughout the days of his imprisonment, carry on a semblance of 'business as usual' in discussing the affairs and the future of his firm. It was an observer of Alfried at this period who afterwards related to a British newspaperman: 'Krupp would sit at the head of a table flanked by his directors. Some of them would smoke American cigars or peel oranges or bananas sent in from outside, while they soberly debated production figures and financial statements.'

During this period, of course, alongside the promising political developments, Alfried Krupp received much news that was disquieting. Whatever might be going on in the secret councils of the policy-makers, the public sentiment of the western world was still overwhelmingly against the name of Krupp and against any suggestion of his release or restoration to power. His managers, who were carrying on the day-to-day administration of the firm under British supervision, had to tread extremely carefully in their efforts to resist, delay, and obstruct the dismantling orders, which formally continued in operation until 1951. And when, in 1949, they took the decision to repair a combined office and warehouse, formerly an annexe to the armoury, there was a fresh outburst of violent attacks on the firm. Nor was Alfried Krupp consoled by the reports which he received of widespread unemployment among the 'Kruppians' and the plight of his thousands of pensioners.

Further cause for disquiet came with the promulgation in May 1950 of the famous 'Law 27', designed to prevent excessive concentration in German industry, which seemed to have particular application to the future fortunes of Krupp. This law read in part:

> Whereas it is the policy of the Allied High Commission to decentralize the German economy for the purpose of eliminating excessive concentration of economic power and preventing the development of a war potential . . . and whereas the Allied High Commission . . . will not permit the return to positions of ownership and control of those persons who have been found, or may be found, to have furthered the aggressive designs of the National-Socialist Party . . .

These were phrases which were to recur time and again in the ensuing Krupp debate.

Nevertheless, slowly but inevitably, plans were gradually developing in the mind of Alfried Krupp, as he talked in Landsberg jail with his colleagues, reviewing the past and the future—plans for meeting the arguments of his critics and, above all, a basic plan by which the future of the firm of Krupp could after all eventually be assured. The idea was simple, but inspired. Alfried Krupp would march in step with Marshall Aid.

Whatever history may record on the career of Alfried Krupp up to this period, it will certainly have to accord him the twin—and characteristically Kruppian—qualities of perseverance and foresight. The man whose firm and family had grown to wealth and power on the basis of armaments realized that, at least for the immediate future, advantage lay along quite different lines. Europe was, as a result of the war, crying out for consumer goods—and beyond Europe lay a world of under-developed countries eagerly awaiting commercial exploitation. Ever since the announcement of the Marshall programme in 1947 it had become more and more evident that the American authorities would lend their support to almost anyone who could contribute to the economic development and stability of Europe and the world and thereby aid in the great drive to combat Communist unrest. Nearer home, even in the Ruhr itself, the West now had an urgent interest in getting industry going again, reducing unemployment, building up the country which was to be Europe's 'shield' against the East. Here was a drama in which Alfried Krupp was prepared—in his view, indeed, positively destined—to play a leading part. There can be no doubt that he discreetly let his views become known both to the American and British authorities, and to the German Government.

By the summer of 1950 events were positively racing along in his favour. In June South Korea was invaded—and in high circles in the West there was almost a panic that this move was merely a curtain-raiser to a Soviet-sponsored war of unification in Germany. Sir Ivone Kirkpatrick, who had become the British High Commissioner in the Federal Republic, with the backing of his Government, was openly telling his associates, 'We must get Germany committed.' In his consultations with his fellow High Commissioners he found agreement—complete in the case of the American representative, John McCloy;

reasoned but assenting, too, in the case of André François-Poncet, the French High Commissioner. There were consultations with Dr. Adenauer, and a meeting in New York of the three Allies to thrash out their new policy for Germany.

The upshot of all this, as far as Krupp was concerned, was virtually a foregone conclusion. By the autumn of 1950 he had been confidentially advised in his Landsberg cell that the release of himself and his fellow-directors was now only a question of a short time. Nobody in high authority had any more doubts now about the course which was to be followed over Alfried Krupp—though there was a considerable degree of embarrassment about how the coming decisions were to be presented before the bar of public opinion. That Christmas there were discreet celebrations among the eleven 'Kruppians' in Landsberg, who already knew it was their last such festivity within its walls.

And so at last the decisive moment came when the rebirth of the phoenix was officially announced. On 31 January, 1951, the United States High Commissioner, John McCloy, announced the immediate release of Alfried Krupp and the cancellation of the order for the confiscation of his property. In justification of this latter decision, Mr. McCloy pointed out that in no other case, not even in respect of the worst of the Nazi war criminals, had this measure of confiscation of property been applied, so that it certainly did not seem fair to apply it to Krupp alone. He stated: 'Confiscation of personal property does not belong to the practices of our legal system and in general is in contradiction of the American conception of justice. I am not able, on the basis of the evidence against the accused Krupp, to find any degree of personal guilt which would put him above all the others sentenced by the Nuremberg courts.' He was taking his decision, said Mr. McCloy, in the interests of fairness and the uniformity of the degree of punishment.

The official formalities for Alfried Krupp's release lasted only four days more. From the day of his arrest by the American troops, he had been in captivity for just under six years—so he was set free after serving precisely half his sentence.

At the time of his release, all kinds of wild rumours went promptly into circulation about the people 'behind the scenes' who were said to

have intervened on Krupp's behalf—ranging from His Holiness the Pope to the magnates of America's Bethlehem Steel. In point of fact world events had overtaken the need for elaborate individual intrigues. Alfried Krupp's best friends had been, involuntarily, in the Kremlin.

CHAPTER EIGHT

PHOENIX RISING

IT was on the misty morning of 4 February, 1951, that Alfried Krupp, muffled in a heavy overcoat with a big fur collar, stepped through the great doors of Landsberg fortress and became once again a free man.

He was met by members of his family who, to avoid excessive public attention, had been brought to Landsberg in a van which bore the disarming inscription 'Snow White Laundry'. There were smiles, embraces, and hand-shakes all round.

With just the trace of a satisfied smile on his face, Alfried held a brief Press conference for the crowd of correspondents who had gathered to see his release. He told them, 'I hope it will never be necessary again to embark on arms production—but that, of course, depends on political factors.' Then he went off with his brother Berthold to a nearby hotel for a champagne breakfast.

Alfried Krupp spent his first week-end of freedom visiting his mother at the family retreat in the Austrian Alps. He then went back to Essen and moved in to share a small apartment which Berthold was already occupying.

It was a strange and unfamiliar world to which Alfried now returned. The great complex of factories was still virtually at a standstill and supposedly doomed, and thousands of Kruppians were unemployed. There was a list of pensioners due to be paid a total of something like £1,000,000 a year. Essen was a ghost of its once-flourishing self, with bomb debris still lying everywhere and food and clothing still scarce. Was it possible, Alfried might have been justified in wondering, that

the family of Krupp would be held in part responsible for the days of tribulation which had come to the Ruhr?

Any such doubts, however, were soon set to rest. Alfried's friends of the Ruhr made prompt preparations to launch him back into heavy industry again. Such Kruppians as he met greeted him warmly with respectful greetings as 'Herr Alfried'. And the Lord Mayor of Essen, Dr. Toussaint, declared that the city was ready to welcome Krupp back again as one of its most distinguished citizens.

But in the world's Press the news of his release and the fact that the American High Commissioner had cancelled the order for the confiscation of his property had brought a storm of criticism, though Alfried noted that the comments of newspapers in France and the United States were, oddly enough, slightly less vituperative than those of the British Press. In London, the popular Press had gone wild with indignation, and even the dignified *Observer* was writing: 'The American decision means that dangerous lunatics will again be at large.' The storm of Press criticisms brought a reply from the British Socialist Government in the form of an airy assurance given later in February in the House of Commons by the then Prime Minister, Mr. Attlee, that Alfried Krupp would never again be allowed to return to his former power. The Prime Minister declared, 'There is no question of Krupp being allowed to assume either ownership or control of the former Krupp industrial empire.' Even at that time this announcement caused some misgivings, and the *Manchester Guardian* stated the following day, 'There is very little chance that the Federal German Government will discriminate against so powerful and popular a man as Krupp. As a coalition of the Right Wing, it has no wish to alienate private property rights in a single individual case.'

On the American side, Mr. McCloy had issued a number of justifications of his decisions about Krupp. A summary of his attitude at the time is contained in a letter which he wrote to the economist Karl Brandt, of the Stanford Food Research Institute in California, which is quoted in the semi-official story of Krupp written by the German author Gert von Klass. In this letter Mr. McCloy wrote, 'I can assure you that the decisions which I rendered were taken only after the most painstaking thought and effort. I think I have been on this job for about eight months, and I do not know that I have ever

had one which was more wearing. . . . I would not wish my worst enemy to go through the ordeal of determining in such a situation as this whether a man should live or not.' Mr. McCloy suggested that the British had been inconsistent in first refusing themselves to put Krupp on trial and then subsequently criticizing his release. Answering criticisms of his decision to rescind the order for the confiscation of Krupp's personal property, Mr. McCloy added, 'I can find no basis for singling this man out above all others, even those who have clearly committed mass murders, for in no other case was any other individual's personal property confiscated. However, in such a decision as this, one can only follow one's conscience and not the likelihood of approbation or criticism.'

Even the well-meaning attempts of Alfried Krupp's friends to come to his defence in those dark days sometimes had a boomerang effect, and produced explosive results. Thus, in an optimistic effort to assist in the reinstatement of Krupp, a relative of the family had circulated a pamphlet under the title 'Why Was Krupp Condemned?' In this he had, perhaps somewhat incautiously, taken up once more the question of slave labour and had suggested that working for Krupp had at least had the effect of keeping many people out of the gas chambers and the concentration camps. This pamphlet came into the hands of the British Press and brought another fresh onslaught on to the head of Alfried Krupp. In the *Daily Mirror* of 11 November, 1952, James Cameron wrote an indignant article under the glaring headline 'The Lap-Dog of War is Still Howling for Justice'.

With characteristic shrewdness, Alfried Krupp realized that, at that period, his best defence was extreme discretion. So for the time being he led a retiring life, though, in May 1952, he occupied himself with a little highly personal business. At the age of forty-five he decided to get married for a second time. His bride this time was Vera Hossenfeldt, the daughter of a German insurance official. She had been previously married successively to a Baron von Langen, to a film-maker named Frank Wisbar, with whom she went to America, and to a Dr. Knauer, whom she divorced after obtaining American citizenship. To avoid comment in the world's Press, the couple were married secretly in a registry office in the Bavarian mountain resort of Berchtesgaden.

Everything was done to keep the wedding as quiet as possible. The

couple drove up to the registry office concealed in a baker's delivery van and no guests were invited. The Mayor of Berchtesgaden officiated, with the former skiing star Freddi Stoell, now proprietor of the hotel in which the couple were staying, and his wife, acting as witnesses. The bride wore a light day suit with a striped scarf tucked in the neck and a white hat, and carried a big bunch of roses. Alfried, in a dark suit and a light grey tie, was said to have looked happier than he had done for years. As soon as the ceremony was over, the couple drove away in a new fast car which Alfried had bought after his release from prison.

Another piece of personal business to which Alfried attended in this period was the question of a permanent home. He had already taken one firm decision: that he would never again return to live in that house of unhappy memories, the Villa Hügel. To him, as to many other people, it seemed in a way a house with a curse on it, and its great echoing rooms, filled with the ghosts of the past, were, he felt, no proper background for a man whose interests were now centred on planning for the future. He therefore decided to build for himself a new villa outside Essen, comfortable and modern and practical, but bearing no resemblance to the heavy ostentation of the Villa Hügel. The cost of the new house, it was estimated at that time, was around £16,000. In any case, the Villa Hügel itself was still closed to him. It was under Allied occupation, with two armed guards standing at the gate and a big notice proclaiming in English and in German, 'No visitors except on official business.' And just at that moment Alfried was a man without official business. By Allied orders he was still banned from visiting his own offices in the great Krupp administrative building and his activities for the moment had to be confined to feelers, contacts, and discussions held in the privacy of his home or of other people's apartments. So, in these inconspicuous retreats, Alfried Krupp soon began to work in his own discreet way on the preparations for his come-back. Personally, he did not doubt for a moment that his efforts would sooner or later be successful. Quite apart from the political issues which were working more and more in his favour, he knew that the firm of Fried. Krupp, under proper leadership, could very soon be producing once again those consumer goods which the post-war world so badly needed. And so he embarked with growing self-confidence on discussions about his future

with the representatives of the Allied Powers. In these talks he was particularly aided by two of his colleagues, old Direktor Friedrich Janssen, the veteran Kruppian who had shared imprisonment with him, and Dr. Friedrich Hardach, whose euphemistic title at that time was 'Manager of the Krupp Works in liquidation', which was the ingenious phrase used to conceal his true activities in the reconstruction process, and to reassure the critics.

The discreet and persistent negotiations which Krupp and his associates carried on at last bore positive fruit in the autumn of 1952, when it was announced simultaneously in Britain, France, and America that Herr Krupp was to be provided with compensation, estimated at something like £25,000,000, for his holding in the German coal and steel companies which, under the Allied High Commission Law of May 1950, were removed from his control. In Britain the announcement was made to a somewhat indignant House of Commons by Mr. Anthony Eden, who took pains to point out that the compensation of Krupp resulted from decisions which had already been taken by the previous Socialist Government, and that the Allied Law had made no provisions under which Krupp's holdings in the coal and steel companies could be confiscated either wholly or in part. On the contrary, he said, the effect of the law had been to provide him with compensation for all his holdings. 'But,' Mr. Eden added reassuringly, 'it is the Government's purpose to ensure that Herr Krupp shall not be allowed to use the proceeds of the sale of his holdings to buy his way back into the coal and steel industries or otherwise to acquire a controlling interest. The means of achieving that end are under discussion in Germany between the High Commission and the Federal Government.'

The announcement caused a good deal of feeling both in Parliament and among the British public. In the House of Commons, Mr. Clement Davies declared, 'The restoration of such a vast sum of money to the family whose activities were of such assistance to Hitler has deeply shocked people everywhere. Inasmuch as Krupp has been found guilty of using slave labour and of taking other people's property, is it not possible to devote some of this wealth to the people who have suffered?'

But Alfried himself was feeling more reassured now in his battle for his come-back. He judged his position sufficiently strong to enable him

to make a calculated reply to his critics. So, within a few days of the Eden announcement, he let it be understood that he would resist attempts to make him sign an undertaking to stay out of the coal and steel business. He allowed Dr. Hardach to make a statement to newspapermen in which he described the Allied attempt to ban Krupp from coal and steel as 'a barrier which is against the German Constitution, a denial of ordinary human rights and a suppression of freedom of trade'.

One factor which was to prove of considerable service in promoting the interests of Alfried Krupp in the ensuing years was the 'Schuman Plan'. Proposed in 1950 by the then French Foreign Minister, M. Robert Schuman, and ratified two years later, the plan provided for the establishment of the European Coal and Steel Community controlled by a High Authority of nine European members representing France, Italy, West Germany, the Netherlands, Belgium and Luxembourg. The Community established a common market for coal, iron ore, scrap and steel in the six countries concerned, a market embracing 159,000,000 customers. Its powers, guaranteed by a fifty-year treaty, were supranational. Fortunately for Herr Krupp, the private ownership of coal, steel, iron and scrap in the participating countries was not affected by the Community's activities, but the sovereignty of the respective states over the flow of these materials into and out of their countries rested in the High Authority. The basic interest of the High Authority was to promote the efficiency of the production and distribution of the materials in which it was interested. Therefore it had no particular reason to stand in the way of anything which Alfried Krupp could show was serving these ends. In the years to come, the High Authority was to give its blessing to many of the Krupp developments which were criticized by outside observers, and Krupp propagandists were always able piously to point out that the firm's actions were taken entirely within the framework of this international agreement. Thus did the High Authority, by its very nature, come to serve as something of a protective shield to the designs of Alfried Krupp.

All through that winter of 1952 and into the spring of 1953 the negotiations continued on the final terms of the Krupp settlement. And while these high matters were in the process of discussion, Alfried, with growing self-assurance, even found time to turn his attention to another and more personal aspect of his reinstatement. He instructed his

advisers to file an application for the return of art treasures which he claimed had been missing after the war from the Villa Hügel. It was alleged that more than 370 articles, estimates of the value of which ranged from £70,000 to £200,000, could not be located after the Allied coal control authorities had moved out of the villa. An indication of the importance which Krupp already occupied in Allied eyes is the fact that a British investigating team was immediately dispatched to Germany and indeed did succeed in tracing a number of the missing treasures.

And now at last the officials of the three Allied High Commissioners and Chancellor Adenauer and Krupp's own hard-headed business representatives, managed to hammer out the final agreement which restored Alfried Krupp to power, though at the time of its announcement to the public it was represented as being primarily an arrangement for breaking up the Krupp industrial complex. So it came about that on 4 March, 1953, the decisive agreement was signed—not, it may be noted, by Alfried Krupp himself, for he had judged it judicious to be on holiday in Switzerland at that particular moment, but by his legal representatives—and the terms of this 'Krupp Treaty' were to be discussed and analysed all over the world for a long period to come.

The combined yield from the compensation which Alfried Krupp was due to obtain from the sale of his coal and steel interests and the value of the considerable number of enterprises which he was allowed to retain, was estimated as being in the neighbourhood of £50,000,000. This he had won back in less than five years from the moment when he had gone to Landsberg prison as a penniless 'war criminal'. The phoenix, indeed, was feeling the strength of its wings again.

Specifically, the agreement now signed provided that Alfried Krupp would dispose of his holdings in the following companies: The Hüttenwerk Rheinhausen, a steel producing plant, the coal mines of Bergwerke Essen, and the coal fields of Rossenray, Rheinberg, and Alfred, the coal mines of Hannover-Hannibal and Constantin der Grosse in the Bochum area, the coal mines of Gewerkschaft Emscher-Lippe, and the Krupp interests in the iron ore mining concern of Sieg-Lahn Bergbau. A holding company, Hütten- und Bergwerke Rheinhausen, was to own the steel works, coal mines, and the coal-fields. It was to have a capital of £4,715,000 in common stock and £2,665,000 in convertible bonds. The common stock was to be transferred to 'disposition trustees' who were

to sell it to independent persons within five years, a period which might however be extended. (As, indeed, it was in 1959 and 1960, despite public protests each time.) A provision was made that if at the end of the extended period the shares had not been disposed of, they would be sold for whatever price they would fetch. In any case they were not to revert to Alfried Krupp and the shares were not to be sold to his 'immediate family or to persons acting on their behalf'. This provision was quite specific at that time. It was also provided that ten per cent of the shares might be offered to workers and employees of the Hütten- und Bergwerke Rheinhausen.

The coal mines in the Bochum area were to be transferred to a new company and there was a suggestion that some of the mines might be sold to a foreign company, believed to be French, for French heavy industry still maintained its historic interest in having a finger in the affairs of the Ruhr. The Hütten- und Bergwerke Rheinhausen was to acquire fifty-one per cent of the holdings in the Sieg-Lahn Company and the remainder was to be sold by Herr Krupp. He would be paid a royalty of twenty-four per cent of the then prevailing price on output from the Rossenray and Rheinberg coal-fields. The capitalized value of the royalties at that time was estimated at some £830,000.

There was also provision in the agreement for benefits to go to a number of Alfried's relatives. The shares in two processing companies, Capito und Klein at Düsseldorf and the Westfälische Drahtindustrie at Hamm, were to be transferred in the form of one-half to his sister Irmgard, now Frau Irmgard Eilenstein, and the other half to trustees acting for his nephew, Arnold von Bohlen und Halbach, the son of his brother Claus, who was killed in the war. There were to be safeguards to ensure that the properties would remain independent of Alfried Krupp's control. Further it was stated that he would issue promissory notes, each of 11 million marks, to four other members of the family, his sister Waldtraut, now Mrs. Waldtraut Thomas, his brother Berthold, his brother Harald—who at that time was still a prisoner of war in Russia—and to his son Arndt. All the rest of the assets of the firm, including shipbuilding, engineering and locomotive construction plants, were returned to Alfried Krupp as his sole property. He now had restored to him a fortune which was beyond most men's dreams of avarice.

Rather ingenuously, a statement by the Allied High Commissioners at this time admitted that when the famous Law 27 expired in the future Herr Krupp's undertaking not to engage in coal and steel activities would no longer be legally enforcible, but added that it would remain 'his personal and moral obligation'.

The precise terms of the undertaking given by Alfried Krupp in this agreement were announced in the British Parliament by Mr. Selwyn Lloyd on the following day. He said that Herr Krupp had agreed that: 'He will not, through the use of the proceeds of the aforementioned sale of securities, acquire or own any securities of or any interest in any enterprise engaged directly or indirectly in the steel or iron producing industries in Germany or in the coal mining industry in Germany.' Mr. Lloyd said that Herr Krupp had also undertaken that: 'He will not, directly or indirectly, acquire or own a controlling interest in, or occupy a controlling position in any enterprise engaged directly or indirectly in the steel or iron producing industries in Germany or in the coal mining industry in Germany.'

Mr. Lloyd's statement, as might be expected, provoked a number of protests from the Opposition. Thus Mr. Fletcher, a Socialist member, asked if Mr. Lloyd was aware that his statement would do little or nothing to allay the deep-rooted suspicions in the country that Herr Krupp, a convicted war criminal, would again become one of the most powerful and influential men in Germany. Would Mr. Lloyd confirm, he asked, that there would be nothing to prevent Herr Krupp from again investing his proceeds of sale in iron and steel industries once Law 27 lost its effect in two or three years' time?

In reply to critics Mr. Selwyn Lloyd maintained that the settlement was the best possible one that could be obtained. He emphasized that Herr Krupp had given an undertaking that he would not either directly or indirectly seek to secure influence again in the coal and steel industries. The undertaking had been incorporated in the agreement reached with the Bonn Government, he said, and would be legally enforced by them. 'The British Government,' he added, 'has no reason to believe that the undertaking will not be fulfilled.'

But other authorities in the world were far less sanguine than Mr. Selwyn Lloyd and the signs were already abundant for anyone to read that the Krupp story was not ending at this point. The desire of the

West to see Germany reborn and playing an effective balancing role in Western Europe was becoming daily more urgent. Among those whose memories of the war were painfully acute, there were, to be sure, in Britain, France, and America alike, criticisms of the Krupp agreement. But there was also a remarkable amount of moderate comment, such as that of the London *Times* on the following day which, with characteristic urbanity, remarked, 'Herr Krupp's great wealth is in itself no proof of special guilt.' It added that, as an active economic policy, the Krupp settlement was not easy to defend. 'For,' it argued, 'the settlement obliges Herr Krupp to take a very large sum, perhaps between £20 million and £25 million, out of the coal, iron and steel industries where it is needed and to put this money to other uses in which it will probably do less good. The German shortage of capital for heavy industry is already a European problem, and there is no evidence for supposing that Europe as a whole can afford to have the shortage aggravated in an avoidable way.' The voice of international heavy industry was indeed already making itself heard.

And as for Alfried Krupp himself, he left no room for anyone to suppose that he regarded the last word on his future affairs as having been spoken. On the same day as the agreement was announced, a statement was issued on his behalf in Essen saying that the Allied action had severed economic ties which had grown up over decades. Thereby, it was argued, serious harm had been done to the firm of Krupp, the enterprises which were now to be separated from it, and to the national economy. On the other hand the plan had ended the intolerable condition of economic uncertainty and paralysis. With the lifting of Allied controls, the firm hoped that existing jobs would be safeguarded and that the old Krupp tradition of technical and economic progress would again manifest itself. The statement added, 'For all members of the firm, the return of the proprietor, Herr Krupp von Bohlen und Halbach, to direct the enterprise himself is the best assurance that the old tradition of the common good, especially the welfare of the staff, the pensioners, and the city of Essen, will be preserved and enhanced.' And only a few days later Alfried Krupp judged the moment ripe to give one of his first major newspaper interviews—to Ian Colvin of the *Sunday Express*. Sitting beside his wife Vera, Alfried was quoted as having said, 'They think of me as a war criminal who has just won the world's biggest

A mechanical excavator, one of the many Krupp products now being widely exported, is tested at the works

Alfried Krupp talking to some of his workmen

Alfried Krupp, on his arrival at Tokio for a tour of Japan in 1959. With him is his son Arndt

A shooting party in West Germany. Alfried Krupp with (from left to right) the American Ambassador Mr. Bruce, Berthold Beitz, the British Ambassador Sir Christopher Steel and Krupp's London representative Count Ahlefeldt

prize money—a man with 30 million pounds to throw about. Let me explain the facts. I was acquitted of the main charge at Nuremberg and found guilty on two lesser charges, yet people still talk as though I was guilty of helping Hitler prepare aggression.'

With regard to the slave labour charge Herr Krupp is quoted as having said, 'It was a terrible chapter, but we were forced to accept slave labour like other German undertakings. Under such conditions bad things happened.'

'What will you do with your money?' Colvin asked.

'Money brings its own responsibilities,' replied Krupp. 'There are large debts to be settled. I have pensioners to look after. I must invest capital in the workshops that remain to me and modernize them. But I have signed an undertaking not to produce coal and steel, and I stick to it.'

But even at that moment Alfried Krupp added a significant afterthought, for he pointed out to the British newspaperman, 'There is a clause in the disposal law which provides for revision of it if the Allies consent.'

Alfried had shrewdly come to the conclusion that time—once again—was on his side, and that if he waited and showed patience all things might be added unto him.

For the moment, in any case, he had plenty to do. Once again he was master in at least a great part of his own house. There was no need any more now for ruses, pretences, and furtive discussions. He could go back to the red-brick tower of the Krupp Administration building and take matters openly into his own hands.

On the day of his return to the firm, 12 March, 1953, Alfried Krupp issued an official statement of his policy. It ran: 'The aims it is my intention to pursue in my future business policy are, first and foremost, the maintenance and greatest possible augmentation of employment in our works; the securing of our workers' pensions and the further provision of housing; and the upholding of the time-honoured tradition of our house—progress in technical and industrial development and the social welfare of our work-people.'

The emphasis put on the traditional Krupp family concern for its work-people was characteristic, and also timely in view of the anxiety and distress among many veteran 'Kruppians' at that time. Alfried knew

that they would respond whole-heartedly to any calls he might make on them for the rebirth of the firm. Now at last he could go full steam ahead with all his plans. He had had plenty of time for reflection, and he knew in his own mind precisely what he intended to do.

CHAPTER NINE

'WE MUST CHANGE OUR THINKING'

ONE of the first men whom Alfried Krupp sent for, on his return to his office in the red-brick tower in Essen's Altendorferstrasse, was a tough old labour leader, who had been with the firm for nearly half a century.

'Tell me,' Krupp asked him, 'can we build up the firm again? Will the men be with me?'

The old man gave his answer unhesitatingly. 'We can and they will, Herr Alfried,' he replied. 'We are all still Kruppians.'

And when he met, one by one, the directors of the Krupp enterprises which now had been returned to him, he found, with few exceptions, the same degree of stolid loyalty.

There was, however, a problem which had initially to be met, and which had arisen as a result of the long period during which the various Krupp concerns had been forced to operate without a leader and under alien supervision. This was that many of the individual firms had come to be carried on as virtually separate entities, without reference to, or guidance from, any central Krupp administration. The result was that when Alfried returned to take command, he found a certain degree of chaos and confusion running right through the organization.

When I talked to him in Essen, he had referred to this particular point in answer to my question as to what he considered had been his primary concern when he reassumed control. 'The great problem was,' he had told me, 'that in the years immediately after the war, partly through Allied but also even through German influence, all our factories had been working a little apart from one another. Each was independent

of the rest, and there was no feeling of belonging together.' (*'Zusammengehörigkeit'* was the word he used.) 'So the first thing to be done was obviously to get all the different factories and companies working together again—and to build up a new central administration.'

Another basic problem at that moment, Alfried Krupp explained to me, had been that the whole Krupp business policy for the future had to be reshaped. (In accordance, I assumed, with the planning and the pondering he had done in his years of waiting for this come-back.)

'The essential thing was,' said Alfried Krupp, 'that we had to change our thinking. For nearly a hundred and fifty years the firm of Krupp had always been thinking in terms of steel. From 1953 onwards we were parted from our coal and steel interests and therefore we had to think along radically new lines. I had to do so myself—and fortunately I was still not too old to do so. But even for me it was difficult to get away from the old "steel" way of thinking. And most of the people here in the factory who knew about the past thought along the same lines. I realized that it would be a good idea to bring into the firm somebody who knew nothing about steel at all.'

A little later, Krupp was to do just this—but first there were even more urgent problems to be solved. In those first months after his return to the firm, Alfried Krupp worked with almost demoniac energy. He had so much to do, so little time. And his years in prison, the fight which he had put up for his come-back, had only served to strengthen his ambition and his steely determination.

One of his first moves was in the best tradition of Krupp patriarchal procedure. 'We had a lot of concern about our pensioners,' he told me, 'because in those early days it was difficult to pay them.' And then, in that strange, halting, almost diffident way in which he talks, he added, 'It may be interesting to note that in 1953 we had only 16,000 workers and we also had 16,000 pensioners. Well, you see, obviously one worker can't pay for one pensioner. But we did what we could: we managed at first to pay them fifty per cent of their pensions, and slowly worked up, and by 1954 we were again paying them the full amount.'

To raise money for the pensions, Alfried sold some £1,700,000 worth of the firm's remaining assets, against the advice of some of the Krupp executives, who protested that any money available at that moment should be devoted to the installation of new machinery. According to

members of the firm of Krupp, the reply given by Alfried was, 'We have always put our men before our machines, and we shall go on doing so now.' And, indeed, the 'welfare state' policy which Krupp has always followed with regard to its workers has even paid off on a practical basis, for there has never been a serious strike in all the firm's history.

Diligently Alfried Krupp delved everywhere to raise the funds he needed to finance the rebirth of the firm. He dug out every still-existing bank deposit, borrowed something like £5,000,000 from commercial banks, used the money which he and each of his brothers and sisters received from the Allied sale of Krupp properties—and sought and obtained generous tax abatements from the German Federal Government. Within two years from the time of his return, the firm of Krupp had spent something like £12,000,000 in rebuilding and the replacement of machinery.

And now, in a sense, he reaped benefits from even what had been done to him by his enemies. The machinery and the buildings which had been lost to him first through bombings and later in the process of dismantling, had been to a large extent obsolescent. The replacements which he now made were all of the latest design—modern equipment everywhere, which produced things faster, better, and more cheaply than could be done by his British and French competitors, then largely using both machines and methods which had served them for years. The new machinery, Krupp believed, would give him a head start in the new markets he was now setting out to conquer.

Moreover, he had new ideas as well, the consequence of his deliberate changing of his thinking. The fact that Krupp was now deprived of its coal and steel interests meant that the firm found itself with scores of experts on these subjects who had no immediate work to do. Alfried found a way to make profit even from this problem. If he could not, for the moment, sell actual steel to the outside world, he could sell something parallel instead—Krupp 'know-how' in the making of steel and in mining.

Thus was born the Krupp 'consulting engineering' department, which made a virtue of necessity, and which sent out its working teams of mining engineers, geologists, steel casting experts, to every part of

the world. Under contract to governments or to private financial groups, they carried out detailed research into the possibilities for the mining of coal and ore, and drew up complete plans for the establishment of finished steel works. For these, they received fees of anything between £8,000 and £166,000—and in addition, as was only natural, they recommended the installation of machinery which could best be supplied by the House of Krupp. To enable his men to work swiftly, efficiently and to outdo their competitors, Alfried Krupp provided them with every possible help they could be given in the field. They were equipped with jeeps, trucks, and observation aircraft. Before they even started on their investigations, they received from Head Office a complete set of maps of the locality concerned, of aerial photographs and, where necessary, of expert analyses of local coal or ore deposits already found. The Krupp consulting engineers were among the pioneers of the firm's rebirth and, as will be seen later, are still playing a considerable part in its progress.

These, then, were some of the initial steps which Alfried Krupp took towards the rebuilding of his empire. But more decisive still was the decision which he took about the 'new blood' which he had resolved to introduce at top level into the firm. As he recalled to me when I talked to him, 'I knew I needed a man who was completely free of the steel mentality—the less he knew about steel the better. And I found him more or less by chance.'

There can be few odder stories than that of how Berthold Beitz, the insurance executive and one-time bank clerk, tough, round-faced, and breezy, with the outward appearance of a mixture of American advertising salesman and baseball-player, came, at the age of forty, to be the sole administrator under Krupp of a concern whose total assets today are put in the neighbourhood of £400,000,000, or of how the introvert Krupp and the extrovert Beitz teamed up to become one of the world's most formidable business partnerships.

The chance, of which Alfried Krupp had spoken, which brought the two men together, was a meeting one summer evening in 1952 in the flat in Essen of Alfried's brother Berthold, where Alfried was still living after his release from prison. It happened that in the same apartment house there lived an Essen sculptor of some fame named Sprenger, whom Beitz, at that time director of the Iduna Insurance

Company, was visiting in connexion with a statue of a girl which he was doing for the new building of the Iduna administrative office in Hamburg. Berthold invited Sprenger and his brother up for a drink—and later that evening Alfried invited the party, which included Beitz, along to dinner at the garish old Krupp-owned hotel, the Essener Hof, a sort of public Villa Hügel, where most of the firm's business entertaining is done in an atmosphere of palm-leaves and antimacassars, fine cooking and rare wines. After that the party broke up and Beitz went back to his job in Hamburg, thinking no more about Alfried Krupp.

But Alfried continued to think about Beitz. He had been impressed by the young man's self-confidence and energy, by his obvious ability, while retaining a tough and forceful character, to exploit his considerable personal charm in his business operations. With characteristically methodical care, Alfried got his mother Bertha to visit and report on Beitz's family. Then he caused extensive confidential inquiries to be made about the man himself, his background, his character and career. And the reports which came back to him were highly promising.

Berthold Beitz was born in Demmin (Pomerania) on 26 September, 1913. He attended the school (*Gymnasium*) at Greifswald, where his father was a bank official. At twenty he had been sent to serve his apprenticeship as a bank clerk in Stralsund, later working as a bank clerk in Stettin until 1938. But he had too much restless energy, too much ambition, to be satisfied for long with banking routine. Shortly before the war he joined the German Shell Company in Hamburg and soon after war broke out he was sent by them to manage the Boryslav oil-fields in occupied Poland. He was then only twenty-seven, but the Nazi Government considered that, even though he was not a member of the Party, his organizational ability was sufficient to justify his being exempted from military service.

After a brief period as a prisoner of war, Beitz late in 1945 got back to Hamburg and to his wife Else, whom he had met at the Shell Company's tennis club before the war. In the bomb-devastated city, he could find nowhere to house his family except a summer-house on the outskirts with only a single living-room. Here, to begin with, Beitz lived with his wife, two daughters, Barbara and Bettina, and his father

and mother. Meanwhile, he tramped around Hamburg, like thousands of demobilized Germans, looking for work.

A chance meeting in a street with a former girl secretary of the Shell Company resulted in his first post-war job, as was later related in the German weekly *Der Spiegel*. The girl told him she had heard that the British occupation authorities were looking for a German who had not been a Nazi Party member to take over some important job in the zonal insurance administration. He knew nothing whatever about insurance, and he could hardly speak a word of English, but he went to try for the job all the same. The British major who interviewed him told him the salary would be 600 marks a month (around £50). Disgustedly Beitz replied, 'Why, then it's only a clerk you are looking for.' But when the major added that the job carried also a red DKW car—at a time when cars were largely unobtainable by private citizens—Beitz took the job, and so became Vice-President of the Zonal Office of the (then) Reich Insurance Supervisory Board in the British Zone.

Since he knew nothing about insurance, he realized that he needed expert help—and needed it quickly. He searched Hamburg for men who knew about insurance and finance, and some of his new colleagues he brought in literally from the streets, for in those days men who had occupied high positions under the Nazi régime were to be found in rags clearing debris from bombed-out buildings with pick and shovel. Some of the men whom Beitz took under his wing in those days went on and up and today hold important posts in the Federal Republic, which is one reason why he now has many friends in high places in Germany, who, in gratitude, will help him in the work he does for Alfried Krupp. Wisely, Beitz let his new-found experts get on with their work on the insurance problems, and himself concentrated on practical matters of organization such as buying cement on the Black Market to repair the offices in which they worked, and finding proper desks to replace the packing-cases which had hitherto had to serve the insurance administration.

But Beitz had no intention of remaining a government official for ever. He wanted an important job in big business, and his chance came when the directors of the ailing Iduna Insurance Company, who had met him on official business and taken an immediate liking to him, offered him the job of General Manager. He promptly accepted it and,

as a wise precaution, took along with him from his government office one genuine insurance expert and one competent accountant. With ingenious new ideas such as competitions for insurance salesmen, and through an amalgamation of his company with the United Life Insurance Company for Trade and Commerce, Beitz succeeded, in the following four years, in raising the Iduna concern from sixteenth to third place in German insurance. 'I was sitting pretty,' Beitz says about those days. 'I had learned my job, I had a nice sports car, a nice home, life seemed easy.'

Thus it was with some surprise that, a few months later, Beitz received a telephone call in Hamburg from Alfried Krupp, who invited him to dine with him at the Vierjahreszeiten Hotel. 'I had no idea what he wanted,' Beitz once told me, 'I thought he wanted to buy some insurance or something and had been too shy to mention it when we had previously met.'

But Beitz went along to dinner, and found at the hotel, in addition to Alfried, his recently married wife Vera, and his friend Sprenger the sculptor, with a girl named Ulla who had served as the model for the Iduna statue. It was a gay and cheerful dinner, at which no weighty matters were discussed. When it was over, Alfried suggested that Beitz should go for a brief walk with him, in the rain, alongside the waterway of Hamburg's Binnenalster. There, in the dark and the rain, Beitz finally heard what was on Alfried's mind. 'How would you like to manage the firm? I think you are what we need.'

It was too soon for any immediate decision to be taken by either man. Beitz had to discuss the matter with the directors of his insurance companies, who were reluctant to let him go. ('A sure sign that he was a good man,' commented Krupp.) And Alfried himself was still not out of the woods in the long negotiations he was having for the restoration of his properties and his reinstatement in the firm. Not until about four months later, in March 1953, when the Bonn agreement was signed (as described in Chapter Eight), was Alfried able to give Beitz the green light. Beitz was at that moment skiing with his wife and three daughters at St. Moritz. He received a telephone call from Alfried Krupp, inviting him to dinner again—this time at the Baur au Lac Hotel in Zürich. Beitz drove down to Zürich without

delay and there, in the panelled grill-room of the Swiss hotel, over a late supper of smoked eel, Alfried Krupp informed him, 'It's all been settled. Would you like to come now? You can write your own contract.' And so, after protracted negotiations with his own directors, Beitz took over in Essen in November 1953. Alfried had found the man who would help the firm of Krupp to change its thinking.

* * *

But Alfried Krupp did not wait for the arrival of Beitz before himself swinging fully into action. He had resolved that he was going to get into a leading place in the world's post-war markets—and get there fast. The record of Krupp commercial achievements in the six months after Alfried's return to power is an astonishing one, a fighting comeback indeed. Out into fields which were traditionally British or American preserves, into areas where Soviet salesmen, too, were making urgent efforts as part of Russia's political-economic drive, went the Krupp executives, with their offers of high-quality work on easy-term payments or long-term loans.

Markets were carefully studied. To sell heavy trucks in the Middle East, for instance, Krupp engineers devised a gear-changing system so simple that even the most primitive Arab driver could happily face long hauls over bad roads. To sell locomotives in Brazil and the Argentine, Krupp experts made on-the-spot studies to establish what type of engine would be most efficient for operation in South American temperatures, gradients and traffic conditions. Not even the complicated financial barriers of the post-war world discouraged the Krupp negotiators. In the case of Brazil, for instance, the Krupp plan was to finance its deals by drawing on Brazil's debit trade balance with Germany in the form of blocked Brazilian currencies. The Brazilian Government could thus 'convert' its debt by giving Krupp shares in new industrial undertakings—in particular in iron-ore development schemes which required just the sort of technical assistance that Krupp could provide. Already by October 1953, the *Manchester Guardian* was writing: 'Krupp is emerging as Britain's most dangerous competitor as an exporter of constructional machinery to the undeveloped areas of the world.' This was only two and a half years from

the time of Alfried's release from prison, and only seven months after his return to the firm.

Already his interests ranged far and wide across the world. In this first year of his return to action, Krupp completed major deals in India and Pakistan, with others ranging from Greece to South America. Typical of Krupp enterprise was the agreement made with the government of East Pakistan, which wanted to have a steel industry of its own. British and American experts had said that the low-grade coal and ore of the area were uneconomic to work. But Krupp experts discovered that a special process could be used to work the ore profitably. Krupp was given *carte blanche* to develop a plant capable of producing 300,000 tons of steel annually—and was given in addition a ten per cent interest in the Pakistan steel industry which he had thus helped to create. In India, Krupp salesmen found themselves confronted by a Soviet bid to build three large steel plants which the Indian Government wanted. The Russians were offering to do the work at give-away prices. Krupp sent a top executive to talk to the Indian Premier, Mr. Nehru, to emphasize the superior quality of the work which would be done if the contracts went to a German firm. The upshot was that in December 1953 India signed a ten-year partnership agreement with the German combine of Krupp and Demag for setting up £52,500,000 integrated steel plants, with an initial capacity of 500 tons a year. And—a typically Kruppian gesture, this—the Germans promised to forfeit their consultants' fee of 2.1 crores of rupees if the plant was not completed in the stipulated time of four years. Other enterprises of this same initial period of the rebirth of Krupp as a world power included starting a cement factory near Bombay with a capacity of 300 tons a day, contracting with Greece to build a huge nickel works in ore-fields near Athens, and selling a hundred heavy locomotives each to South Africa and Indonesia. Every one of these deals, of course, had the blessing, and in most cases the active support, of the West German Government, for Krupp's activities coincided exactly with their financial policy of building up long-term markets for German goods overseas.

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Another respect in which, in the first few years after his return to power, Alfried Krupp changed his thinking was his gradual and discreet emergence into public life and society, after having lived, from the time of his release from prison, a life which had been mainly secluded and withdrawn. This was probably a change which did not come easily to him, for personal privacy is something which Alfried Krupp has always greatly cherished—and still does. His emergence into the limelight was partly forced on him by developments, partly abetted by his ex-film actress wife, to whom limelight had never been distasteful.

But Alfried Krupp went out into society diffidently, not quite knowing what sort of reception he would get. One of the first public functions which he attended was an American Independence Day celebration at the American Consulate in Düsseldorf, and a friend of mine who was there with his wife happened to be among the first people to recognize the tall figure of Alfried Krupp, who was also accompanied by his wife, Vera. Alfried, it appeared, knew hardly any of the American and British diplomats present, and he stood almost shyly in the reception line, saying nothing to anybody. My friend sought to oil the wheels for the introduction of a famous German into post-war international life, so he went forward and presented himself, at the same time asking his wife to take Frau Krupp around and introduce her. But his wife, alas, had no idea who the couple were, and misheard her husband's instruction, with the result that Vera Krupp von Bohlen und Halbach spent that afternoon at the diplomatic party being introduced to everybody as 'Mrs. Cook'. And, modestly, neither she nor Alfried said a word in protest.

A little later, in November 1954, the Krupps gave one of their first receptions, in honour of the Emperor of Ethiopia, for some 150 guests, and one year after that the largest of the parties jointly organized by Alfried and Vera. This was a mammoth affair, fit to rival anything in the pre-war days at the Villa Hügel, to which five hundred guests were invited, including 120 diplomats, who were driven from Bonn to Essen in special motor-coaches equipped with uniformed hostesses who served champagne and sandwiches *en route.* Three orchestras played for dancing, and when it was all over each guest received

a present of either a bottle of brandy or a silver-plated cigarette lighter.

About this time, too, Alfried Krupp began the development of his international contacts which, in the ensuing years, were to mean so much to him. In March 1954, he flew to London for the first time in seventeen years, dined with Vera in the Savoy Grill, and flew off next morning to Nassau in the Bahamas, where he visited his close friend, the Swedish financier Axel Wenner-Gren. Then he and Vera flew on to Mexico, to attend the opening of a German exhibition, and presumably make some essential business contacts. There was a flight to Dublin, to investigate the possibilities of mineral development in Eire, a visit to the Farnborough Air Display, to check on what Britain was doing in the air, a three-hour luncheon meeting with Henry Luce, the President of *Time* and *Life*, in the restaurant of London Airport (which was followed, a year or so afterwards, by a laudatory 'cover story' in *Time* magazine on 'The House that Krupp Built').

And finally there was, in this initial period of Krupp's rebirth, one family event which brought much personal happiness to Alfried. In October 1955, more than eight hundred German soldiers who had been taken prisoner by the Red Army and were now being returned by agreement with the Russians, arrived at the Friedland camp, near Göttingen. Among them was a tall, lean figure, haggard but not dispirited, with a neat imperial beard and the characteristic high brow of the Krupp family. It was Alfried's brother Harald, now thirty-nine, whom Alfried had not seen since Harald had been called up as a Wehrmacht reservist in the early days of the war, and whom he had long since given up as lost. When the reporters spotted Harald's identity, they mobbed him with questions. And when they asked him what was the first thing he planned to do now that he was free again, Harald replied: 'Something I've been dreaming about for ten years—to sleep alone in a room again.'

And so Alfried's horizon was now visibly brightening, both professionally and privately. To his own enterprise and steely determination was being added the buoyancy and drive of his new 'team-mate' Berthold Beitz, and the fresh thinking of the other new men who were being brought in to strengthen the whole administration of 'Fried. Krupp' from top to bottom. Here and there, to be sure, the

implacable critics of the name of Krupp continued their protests, but to an increasing extent Alfried could afford to ignore them. He was winning friends everywhere and influencing many people. Soon, it was already obvious, he would be progressing to still greater heights of success.

CHAPTER TEN

THE NEW BROOM

BUT all the same, for the moment, the House of Krupp was still 'like a football team without a captain'. That was how Berthold Beitz described to me the situation in which he had found the firm when he had joined it in November 1953. Alfried Krupp was the team's manager and, in the six months in which he had been in sole charge, had done miracles of improvisation and immediate reform. But until the arrival of Beitz he had had nobody to sweep the old place clean, to infuse new life into the day-to-day activities of the host of directors and managers of the Krupp concerns, many of whom had been with the firm for twenty or thirty years and regarded themselves more as civil servants than businessmen.

The combination of Alfried Krupp and Beitz was to prove one of the most remarkable partnerships in European post-war industry. The two men's qualities supplemented each other perfectly: Alfried's cold, logical judgment, prudence, and personal austerity balanced the zest, ingenuity, and ruthlessness of Beitz. But probably no ambitious young man has ever had a tougher initiation than Beitz when he left the safe field of insurance and went to Essen.

In the first place, he was completely ignorant of the vast complexities of Ruhr industry. (As he later confessed, although he had heard of the steel concern known as the Bochumer Verein, he had always been under the impression that it was a football team!) His first action after Alfried had put his proposal to Beitz that night in the rain in Hamburg, had been to ring up his friend the German publisher Axel Springer and ask him to send over his dossier of newspaper cuttings on the firm

of Krupp. What he read was enough to make him realize that, if he went to Krupp, he could not act too much like a young man in a hurry, but would have to feel his way, and learn his job, step by step. Meanwhile, he read all the histories of the firm that he could lay his hands on.

When Beitz did eventually arrive in Essen, the reception which he received might have shaken the self-confidence of a superman. It was, for the most part, glacial. The Ruhr barons of industry were deeply shaken that Alfried Krupp could have brought to high position such a complete 'outsider'. In the recesses of the exclusive *Industrie Klub* of Düsseldorf, the German Colonel Blimps were unanimous: 'Young Alfried must have gone out of his mind.' The well-entrenched directors of the Krupp concerns were resentful, suspicious, or actively rebellious. So great was the opposition which Beitz initially encountered, that it was not long before members of the firm were going round privately making bets on how long—or short—a time he would last.

The old men of the Krupp directorates hated the youth and breezy self-assurance of Beitz, they hated his slangy way of talking, his unconventionality. They were enraged by one of the first steps which he took to liven up things in the Krupp administrative building—and no doubt as a symbolic gesture too—when he ordered that the speed of all the lifts in the building should be increased, so that people should waste less time in getting from one office to another.

He had many clashes of authority in those days with top Kruppians, clashes which he usually ended by the curt inquiry, 'And since when was it that Herr Alfried appointed you General Manager?'

And in meetings of the Directorate, too, Beitz sometimes used shock tactics in quelling Krupp directors who sought to stand on their dignity, and he made a point of never trying to conceal his comparatively humble origin. Once, so the story goes, when a highly dignified Krupp director named Johannes Count von Bellersheim was engaged in some discussion during a board meeting, Beitz beamingly interposed: 'And what's more, Mr. von Bellersheim, I know of one woman who has held both you and me in her arms at different times.' A deathly silence fell over the board-room and the Count stared at Beitz, not knowing whether the remark was to be taken as a compliment or an insult. 'Yes,' said Beitz with a laugh, 'you probably didn't know that Erna Stuth, who was

your children's nurse in your home at Demmin, is my mother.' And Beitz continued his discussions with a somewhat shaken fellow-director.

It was Beitz himself who gave me some further details of the problems which he faced in those early days, when I went one day for a long talk with him in Essen. His office is alongside that of Alfried Krupp, and is virtually a replica of it; grey fitted carpet, huge elm-wood desk with nothing whatever on it except a bronze Bambi paperweight and a silver cigarette-box embossed with the three rings of the House of Krupp. ('Documents? No, I never read them: I let other people do all that.') And Beitz himself looked the very prototype of the local boy who made good: immaculately pressed grey suit, silk shirt, and striped red-and-white tie beneath a round, eager, triumphant face; a flashing smile showing film-star teeth, and a genial, frank, but tough line of talk which gives the impression one moment of a scoutmaster (as he talks of the Kruppians as 'my boys') and the next of a gentleman gangster.

I asked him, 'I understand you had plenty of troubles when you first came to join Alfried Krupp?'

A dazzling smile of flashing teeth. 'I certainly did! The chief problem, of course, was *die Betriebe*—the associated companies. Remember, they had no chief in the whole period between 1945 and 1953. Some people had got to top places who didn't belong there—in other cases managers were doing whatever they considered best for the firm in their own way, but without any central guidance. Believe me, there was plenty of confusion.

'Another thing was that the firm in those days was full of people who had never really had a chance to learn how to think for themselves. After all, in the period from 1934 to 1939 there had been the Nazi régime, the drive for rearmament, and the firm of Krupp had been through all that time under a régime of government orders and regulations. Then came the war: more statutes, more control from outside. And after that had come eight years of control by the Allied occupation authorities. So in all those twenty years a lot of good old gentlemen had had no chance, no chance at all, to use their brains and initiative—even if they had wanted to. That was not the sort of way of life which made this firm great. After all, there is no merit in itself in being with a firm for thirty years, unless you have learned something and made some progress in all that time. There was quite a lot of dead wood to be brushed away.'

'It must have been quite a switch—from insurance to heavy industry?'

'Yes, of course. I came out of a safe job into a sphere which I didn't know or understand at all. So first I had to find my way, and think out what to do. When I took over here I never called a meeting or made a speech. I just went around talking to people, or had them come and talk to me, so that I could find out what they were thinking.'

No, said Beitz, he hadn't felt overwhelmed at all by the magnitude of the post he had obtained, and, giving me a flashing insight into this remarkable man's self-confidence, he added, 'Luckily, of course, one always thinks oneself a bit better than one really is.'

Of course, Beitz agreed, he had met a lot of opposition from some of the old-stagers when he had first joined the firm. But he had come initially as co-director with that old Kruppian, Dr. Friedrich Janssen (the former manager of the Krupp Berlin office, who had been in prison with Alfried) and Dr. Janssen had stood by him loyally in those early days, before his final retirement. 'And I had, of course, the complete backing of Alfried Krupp.'

So at first, Beitz said, he had tried to be patient. 'I could afford to wait, because I was a man just beginning the best years of his life. Gradually I got over the difficulties. Time was on my side. Some of the people who were against me gradually gave in and accepted me, some others in due course retired, others just died.'

And others, Beitz tactfully omitted to add this in his talk to me, were simply booted out at short notice if they proved completely stubborn in resistance to the new order of things. Such as that former member of the Directorate who defied an order by Beitz that directors should not hold seats on the board of several Krupp companies simultaneously. According to the German periodical *Der Spiegel*, the director left the firm of Krupp in a hurry after a stormy interview with Beitz, and the story went round the firm that he had been sacked 'at five minutes' notice', to which Beitz scornfully retorted: 'That just shows how people do exaggerate. I gave the chap a quarter of an hour at least.'

As the dead wood was cleared out, Beitz gradually brought in new men of his own choosing, whom he knew to be both enterprising and loyal to himself. I asked him, during our talk, what principles he followed when engaging new men.

'How do I choose a man? Why, by just making up my mind whether

I think he's good and whether I like him personally. I never bother with testimonials or education or with worrying about a man's family.'

And with a broad grin Berthold Beitz went on: 'People say that I'm typically "American" in my methods, but if so it's a very old-fashioned sort of American I am. I'd never get a top job over there myself, I'm sure—they're much too particular nowadays. They are more snobbish even than the British—you can't get a really important job in the States now unless you've been to Yale or Harvard and belong to one or two of the exclusive clubs. And then all those psychological and intelligence tests—I'm positive I'd never pass!'

Beitz prefers it to be said that he introduced 'modern' ways into the running of Krupp, rather than 'American' ones. It is true that, for instance, he shocked some old-stagers by breaking the rules of German formality, cutting out the titles by which people were addressed as 'Herr Direktor' or 'Herr Doktor', forbade heel-clicking among subordinates and addressed foremen by their first names. But the informality he introduced was done in moderation. 'It just isn't true that I go around slapping workers on the shoulder,' he told me. 'I'm on good terms with them, but I think the workers themselves resent that sort of false heartiness.'

Beitz does indeed have the ability—rare among men in high position—to combine authority with informality and friendliness. At one point during our lengthy talk in Essen that day, I suggested that perhaps I had outstayed my time and should take my leave because I knew that that very same evening Beitz was due to fly to Poznan in Poland to see the Krupp exhibit at the Poznan fair—and doubtless whip up some more business for the firm. 'No, do stay on and chat a bit,' said Beitz with a reassuring smile. 'I'd be a mighty incompetent manager if I couldn't arrange time for my own interviews, wouldn't I?'

And so I stayed on to talk. Of Alfried Krupp: 'He's so nice to work with and such a diplomat. If I put up an idea to him which he doesn't like, he never gives me a blunt "No". Instead he says something like, "I wonder if you'd care to have a little more time to think that over?" But then, of course, Alfried Krupp is a real gentleman. . . . Do you know that all the time he was in prison, he never said a word against the British or the Americans? If it had been me, I could never have kept my mouth shut.' About Beitz himself: 'I'm lucky enough to sit in a job

where I can build things completely in my own way, without having to take too much consideration for anyone. If somebody talks nonsense, I can just say, "Out you go".' About Krupp salesmanship methods: 'We try never to accept orders unless we are certain that we can carry them out punctually. At least, *I* try. But some of our salesmen have a quite natural urge to take on everything they can.' And about the future: 'We must keep a step ahead, we need to produce new sorts of machinery, made of high-quality steel, which always have something that the others haven't got. Then people will be *forced* to buy from us.'

Finally I asked Beitz his view on the famous controversy over the Krupp coal and steel interests. 'I'll tell you frankly,' said Beitz, 'the thing was always quite untenable. Alfried Krupp never promised to *break up* the coal and steel concerns, the agreement was only that he would not use his money to buy new interests in coal and steel. And even that was an agreement which was imposed on him. I just don't see how it could ever have been expected that Krupp could be parted permanently from its interests in steel; it wasn't reasonable or even practical.' And, with a final grin, he added his famous epigram on this subject: 'I always said that Krupp without steel was like a woman without any lower part to her body.'

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The internal strains and stresses, the personal rivalries of the top Krupp administration in the period which followed the come-back of Alfried and the arrival of Beitz did not, however, prevent the firm from continuing to make astonishing progress, largely due to the driving force of Alfried Krupp himself. Under his inspiration, his executives continued to push ahead with the plans for the industrial advancement of the under-developed areas of the world and in March 1955, in an official statement, the firm announced its so-called 'Point Four' programme for this. New projects now revealed included a smelting plant in Spain, harbour installations for Basra, Iraq, Chile, and Bangkok, construction of plants for the processing of vegetable oils in Persia, Pakistan, and the Sudan, and, nearer home, construction of industrial machinery for the Ruhr, of two oil-tankers in Bremen, and of a vast range of cranes and locomotives to be sold all over the world. Already

the number of workers employed by Krupp had risen from the 21,000 of immediately after the war to 40,000 in the plants directly controlled by Alfried plus a further 40,000 in those which still belonged to his family. The firm's turn-over in 1954—the first complete year of the Alfried Krupp and Beitz association—had amounted to £82,000,000. It was, as the *Manchester Guardian* at that time commented, evidence of 'a remarkable post-war metamorphosis'.

But in Essen, the prudent Alfried took the occasion to utter a warning against complacency. In an address to his employees, he deprecated excessive talk about the 'German miracle'. Reconstruction, he reminded them, had been 'a national task and duty', but he added: 'We should not yet become too proud or presumptuous about it, for we are still not yet over the hill.' Despite the successes so far achieved, Alfried did not feel certain that he would win the battle for his cherished overseas markets, and the next three years were to see a truly astonishing output of effort on his part.

The same period saw Alfried Krupp afflicted with problems of a more personal kind. His relations became increasingly strained with his wife Vera who, when she had married him, had publicly declared that Alfried was the only man she had ever truly loved. The couple were less and less frequently seen out together and then, quite suddenly, Vera flew back to the United States. The estrangement became public property in October 1956, when it was announced from Las Vegas, where Vera Krupp had bought a ranch, that she was suing her husband for divorce and asking for a £1,800,000 property settlement and the payment of £90,000 a year. She asserted that Alfried Krupp possessed £90,000,000 in cash in banks in Germany, Switzerland, the Bahamas, India, South America, and the United States.

It was a divorce action which appeared inspired by much bitter feeling. Vera's complaint alleged, in coldly legal terms, 'The defendant did, wilfully and without cause, withdraw from the marriage bed and has persistently refused to have matrimonial intercourse with the plaintiff.' As additional grounds, Frau Krupp alleged that her husband had refused to support her, had denied her a home life and had insisted that she relinquish her American citizenship.

Almost simultaneously, Vera Krupp herself was named as co-respondent in a suit for separate maintenance brought by a Mrs. Annabel

Manchon against her husband Louis, president of a building company owned by Frau Krupp. Mrs. Manchon alleged that Vera and her husband had 'openly and notoriously carried on a romance'.

For several months the international lawyers wrangled. Finally, in January 1957, it was announced almost simultaneously that Vera Krupp had been granted a divorce by default in Las Vegas, while Alfried himself had been granted a divorce by a German court. And with a final gesture of defiance, Vera told reporters, 'I value my freedom in America more than all his money.'

As for Alfried Krupp, he characteristically made no comment at all, and, whatever his private feelings may have been, he appeared to be burying them in redoubled professional effort.

CHAPTER ELEVEN

STREAMLINED EMPIRE

THE new era which had dawned in Fried. Krupp opened up a vast vista of new horizons. From now on Alfried Krupp and his associates were, both literally and metaphorically, continuously on the move. With restless energy and seemingly inexhaustible ingenuity, they planned both new products and new places in which to sell them. Alfried played the role of the long-term planner, the diplomat, the high-level contact man, while Beitz supplied the driving force, the provocative power which kept every man striving for greater mastery of his job. 'I'm the circus manager, and I must crack the whip,' explained Beitz of his role. He prodded, incited, and bullied men to greater ambition and achievement. Sometimes he would confront a Kruppian and surprise him with a challenge, 'How old are you? Thirty? Well, when are you going to begin to do something with your life?'

So, in scores of laboratories and workshops all over the Ruhr, Krupp engineers and scientists were set racking their brains for new ideas, for new perfections to existing machines which would give them that little extra which competitors did not offer and thereby capture the market. One such device which was a great success was the Krupp engine-compressor brake, launched in 1953, to provide more efficient braking of heavy trucks or truck-and-trailer combinations on steep downhill gradients, for which ordinary wheel brakes were inadequate. The new Krupp brake was so designed that a simple manipulation converted the engine from a power-developing unit into a power-absorbing unit sufficient to hold both truck and a heavy trailer on even the longest and

steepest downhill runs, without any necessity to touch the friction brakes. It was, of course, just the thing for the heavy work under rugged conditions being done in the new Krupp overseas markets.

To help his scientists in their search for new worlds to conquer, Alfried Krupp opened, in 1957, a £700,000 research centre in Essen for some 200 technicians. Constantly his men came up with new ideas. One was 'Titanium', a new material which was as strong as steel, much more rustproof and about eighty per cent lighter, and by 1955 this was ready to be marketed around the world for aeroplane construction and other purposes. In the same year, Alfried Krupp announced that he was moving into a further new field, the production of plastic manufacturing machinery, under licence from an American firm. In Bremen he founded a shipping company to enable the swelling tide of Krupp exports to be carried across the world in Krupp-controlled ships.

Everywhere Krupp salesmen were indefatigable and legends of their assiduity were happily spread by Krupp propagandists. 'When the Englishman is having his first whisky and soda and changing for dinner, the Krupp agent is still out in the desert demonstrating equipment,' they said, unfairly, no doubt, but effectively. 'When a dealer in an underdeveloped area writes for aid to both an American company and to Krupp, the American sends him a letter in reply—but Krupp sends him a salesman.' In the Krupp head office in Essen is a battery of typewriters with strange outlandish keyboards, Greek, Russian, Arabic, and so on. Krupp always pays his clients the compliment of furnishing them with operational instructions in their own languages.

And Alfried Krupp himself has been indefatigable in his own efforts to open new markets, making journeys of thousands of miles across the world for on-the-spot inspections of possibilities and requirements.

One of the first of these journeys was in February 1956 when he set out with a group of advisers on a hectic five-weeks' tour which took him to Karachi, Delhi, Bangkok, and back to Cairo—through areas where he feared that, unless quick action was taken, attractive markets would pass into Soviet hands. But, back in Essen afterwards, he was careful to explain in a Krupp anniversary speech that the purpose of his tour had been 'merely to collect information, not to conduct a private crusade against Communism'. He had no wish to offend possible future Soviet clients. And the same year, indeed, there was an

ambitious Krupp exhibit at the Leipzig trade fair, which marked the virtual beginning of Alfried's 'feelers' for trade behind the Iron Curtain.

A year later, Alfried was being lavishly fêted in Turkey, whither he had gone as a representative of his fellow Ruhr industrialists. Here the excited Turks reported him full of projects. Krupp told them that he was undertaking the enlargement of the Karabuk steel plant, and would spend £1,400,000 on a new blast furnace which would more than double Turkey's pig-iron production. He was interested, too, in the possibility of exploiting minerals like chrome, coal, and wolfram, and was studying a plan for the construction of a new railway line to link up Turkish and Persian railways. There was also talk of a project to build a giant suspension bridge across the Bosphorus, but this, for the time being, remained in the realms of fancy. The Turks were delighted with Alfried and he, in turn, was delighted with them. His reception, he told them, had been 'like a dream'.

Later the same year, Krupp flew off again, this time to Canada where, at a Press conference, he announced that he and four other German steel-makers had joined forces with a group of Canadian and American businessmen headed by Cyrus Eaton to develop a giant deposit of iron ore in Quebec's Ungava Bay area. But this Canadian trip seemed to be unlucky from the start. On Alfried's arrival at his Ottawa hotel he found the entrance picketed by demonstrators with banners, 'Back to Nuremberg, War Criminal'. Later, when the visiting Germans flew off to Schefferville, first stop on the thousand mile flight to Ungava Bay, Krupp learned that his mother had died in Essen at the age of seventy-one. He hurried to New York to take the next plane back to Germany while the others went on with the tour. But despite all the hopes which had been attached to the Canadian project, it was announced in the following year that the £77,000,000 plan had, after all, finally been shelved.

Nevertheless, by 1957 the foreign sales of the firm of Fried. Krupp were believed to amount to about £35,000,000 a year, and Krupp's various manufacturing units alone were employing well over 40,000 people. Large credits were being advanced to customers abroad, though not by the firm of Krupp itself. It was stated in 1957 that the Frankfurt Export Credit Bank had advanced about eighty per cent of the credits extended abroad, amounting to around £27,000,000, and that

the firm of Krupp itself had put up only about £4,600,000 of that amount. Outsiders gladly paid for Krupp developments.

After Canada, it was Australia which next engaged Alfried's personal attention, but here again his visit was not without incident. Even in 1958 memories of Australian casualties in the face of Tiger tanks and Krupp-made guns had not entirely faded. Protests began immediately the news was made known that the Australian Government had granted Alfried an entry visa. The leader of the Australian Labour opposition, Dr. Herbert Evatt, said, 'His name is synonymous with aggression, death, and destruction.' And when Krupp actually arrived in Melbourne he was greeted with boos and cries of 'Jew-killer, butcher'. With characteristic self-restraint, Krupp merely told the Australian pressmen that he was 'a little sorry that some people are angry that I am in Australia'. On the same trip he had visited Ceylon, to see whether exports to that country could be increased.

Back in Germany again, Alfried next concerned himself with a project, estimated to cost between £3,000,000 and £4,000,000, to build the first all-German experimental atomic power plant near the Belgian frontier, with the Krupp combine as one of the groups mainly concerned.

Meanwhile, somewhat to the alarm of western politicians but apparently with the full blessing of the West German Government, Krupp pushed forward with his efforts to secure business behind the Iron Curtain. These were rewarded by the decision of the Soviet Union to assign him a £4,100,000 contract for the construction of a large chemical works consisting of three plants for the production of synthetic fibres. In May 1959 the first plant of this works was being erected, while the supplies for the second were on their way to Russia. It was calculated that the whole thing would be complete by the end of 1960. A unique feature of this project was that it was carried out in co-operation with an East German consulting engineering organization.

The inauguration of this project led to a remarkable 'honeymoon' between Alfried Krupp and the Soviet Union, where he had at one time so often been denounced as the incarnation of German militarism. When, in the spring of 1959, the Soviet Premier Nikita Khrushchev visited the Leipzig trade fair, he made a point of spending some time at the Krupp exhibit, asked the salesmen there to send his 'personal greetings' to the head of the firm, and expressed the hope that there

would be a further increase in business between the Krupp industrial empire and the Soviet Union. Happily, the Soviet leader drank a cognac which was offered to him in a liqueur beaker made of Krupp steel and bearing the three circles of the Krupp emblem. It seems that Alfried Krupp pins high hopes on future possibilities of collaboration with the Soviet Union. He has sent Berthold Beitz himself on a visit there and today the firm maintains two representatives permanently in Moscow. When western diplomats express concern at Alfried's eastern activities, he assures them that his interest is purely commercial, not political.

More and more in these days, Alfried became like a juggler, maintaining many objects aloft simultaneously. There was nowhere he would not look for business, almost no project which he would not consider. It had become a fixed idea with him that the firm of Fried. Krupp must return to all its original power and glory, must remove the heavy shadow which for so long had lain over its name.

By 1958 the turn-over of the Krupp concerns was up again—this time to £290,000,000, and still further giant projects were under way. In Greece Krupp had supplied equipment worth some £3,000,000 for the Aspropyrgos oil refinery, which was inaugurated by King Paul of Greece in November 1958. An overall mining scheme had been drawn up by Krupp technicians for the lignite deposits of Ptolemais—a project estimated to amount to about £7,500,000.

Again in the spring of 1959 Alfried Krupp set off on another of his conquering tours, this time to the Far East, taking along his son Arndt, and again there was a stream of reports of vast new enterprises. In Tokio it was announced that Krupp planned the construction of a nuclear reactor in conjunction with a Swiss firm, alternatively that he was interested in building a rolling mill at Chiba which would cost about £6,000,000. In Thailand he investigated the possibilities of erecting a £15,000,000 steel works on the River Kwai, near Bangkok. And even while he was touring the Far East, he had agents in Persia, Morocco, and Spain, all looking into the possibilities of building steel works in those respective countries. In the eyes of Krupp, the city of Essen had become the centre of an enterprise whose limits were bound only by the dimensions of the world.

* * *

Thus, through a combination of relentless effort and tireless ingenuity, Alfried Krupp and his colleagues had, in only a few years, rebuilt an empire for the firm of Fried. Krupp. But there remained problems, and serious ones, at home. It was clear to Alfried as soon as he had returned to the firm that the organization of the business required overhaul and drastic reform. The central administration, with a Directorate of about a dozen members, mainly old Kruppians who had not moved with the times, was unwieldy and inefficient. So one of the first problems he set Berthold Beitz after he joined the firm was to study how the necessary reorganization should best be carried through.

Beitz tackled this task with characteristic thoroughness. He studied the practices of other major German firms, and also sent Krupp observers to the United States to report back to him on the way that great American corporations were run. He listened to the personal views of scores of Krupp executives. He studied the past history of the firm itself. For several years he and Alfried Krupp worked together on their project for the 'streamlining' of Krupp. At last, by January 1958, they were ready to announce the inauguration of the reform.

Commenting on this episode to me, Beitz recalled, 'In planning the new organization, I went back to an old document, the "General Regulations" set out in the year 1872 by Alfried Krupp's great-grandfather. I gave it out again in a modern form, just adding a few sentences, to serve as guidance in the new set-up. People say that I am not traditionally minded, but actually I have followed the Krupp traditions much more exactly than some of the people who were with the firm for thirty years or more.'

When old Alfred Krupp had set forth his original rules for the administration of the firm, he had declared their purpose to be, 'to establish and limit the rights and duties of every office and position in the concern and in the administration in such a way as, so far as possible, to bring about both for the present and the future an assured order and a harmonious co-operation, and thereby to ensure the prosperity of the whole as well as the welfare of every individual'.

And the statement made by Alfred's great-grandson in announcing the changes now to be brought about was on not dissimilar lines. It ran:

The structure of the concern has changed considerably as a result of the war and its aftermath. While previously the concern was

built up around a central core, the Crucible Steel Works, it now consists of a number of individual works all ranking equally within the organization.

On the basis of the experience gained during the last few years, a new organizational structure was therefore worked out for the concern. Many decisions which previously occupied a large administrative staff in our Head Office will from now on have to be made by the various individual works themselves.

The management of the concern will henceforth limit itself to working out the general business policies and plans, and to co-ordination, supervision, and control.

The new organizational structure is also designed to give each employee as much freedom as possible to develop his own ideas and initiative in making his work more effective. We want to delegate responsibility to those on the lower levels of the organization so that they will take more pride and a greater interest in their job and find more pleasure in it, thus becoming conscious of what it means to do good work.

Basically the effect of the new organization was to decentralize, seeking better co-ordination by more elastic procedures and leaving the way open for much greater individual enterprise by Krupp employees. A number of miscellaneous units in the concern were formed into new homogeneous groups. The unwieldy Directorate saw its members reduced to only the General Manager (Beitz) and four other chief directors, and it was to serve henceforth as a controlling, planning, and policy-making body, without responsibility for the day-to-day activities of the various subsidiary firms. The four members of the Directorate were responsible respectively for sales, technical matters, finance and administration, with sub-divisions under these heads. But, for instance, the sales department was not expected to do any actual selling but only to organize the selling systems to be employed by the various groups. As the introduction to the new plan explained, 'The task of a firm as a whole can be fulfilled only if it is divided into individual tasks which are transferred to the colleagues in their respective spheres.' One important reform was that the obligation was no longer imposed on individual Krupp firms to buy from one another if they found that they could buy better from some outside firm. This ended what Alfried Krupp had long regarded as an abuse in the firm: some Krupp undertakings had subsidized their low-priced sales to outsiders

by jacking up the prices which they charged to other members of the Krupp concern.

The new order, of course, left the positions of the two top men inviolate. Beitz remained the boss of all the four members of the Directorate in his capacity as General Manager. And the position of Alfried Krupp in this £4,000,000,000 'empire' was succinctly summarized in one single word: Proprietor.

Thus, in the space of five years—from the time of the beginning of the association between Alfried Krupp and Berthold Beitz and the announcement of the reorganization—the firm of Fried. Krupp had been reconstructed, revitalized, and reformed. It had become a force to reckon with in the field of world industry. But there was also another matter on Alfried's mind—a long-term plan and ambition on which he had also been working quietly for years, and one which involved a judicious challenge to fortune.

CHAPTER TWELVE

THE GREAT GAMBLE

At last the time was approaching for the final battle for the 'total victory' of Alfried Krupp. The preparations for it had been going on for years. Parallel with the efforts which Alfried and Berthold Beitz had made for the expansion and the streamlining of the Krupp empire, the two men, from the moment when their association first began, had been jointly struggling for a third objective which was no less vital to them than either of the other two. This was the return to Krupp of his coal, iron, and steel interests which in 1953 he had promised to dispose of, as the price of his other properties being returned to him.

'We have a moral obligation, and I will not look for escapes,' Alfried had said about the undertaking given when the 'Krupp Treaty' had been signed. But the passing of a comparatively short time and the arrival of Beitz had apparently changed the appearance of the matter completely. With energy, determination, and skill, the two men collaborated without remission from 1954 onwards to put iron, coal, and steel—especially steel—permanently back into the Krupp empire.

The fact that Beitz was a newcomer to Krupp, that he had arrived in it more than six months after the signature of the Krupp Agreement, appeared to both men to be a considerable advantage in the effort now to be made. For Beitz did not consider himself compromised in the slightest degree by the undertakings which had been signed before he had joined the firm. He felt completely free to act as the spokesman of the new campaign. He informed Alfried Krupp that he intended to make it a point of honour to see that his coal and steel holdings were

returned to him, and he promised bluntly, 'Not a stone shall be sold.' To outsiders he explained blandly, 'Whatever Alfried can't say because he stands by his promise, I'll say for him instead.' And Alfried himself, in those early days, prudently said as little as possible.

There were, to be sure, arguments both of logic and expediency on Krupp's side in this matter. The basic reason why the return of the coal and steel interests was felt to be so vital, was an economic and practical one. The whole reputation of the firm of Krupp had been based on the high quality of the steel in the machinery which it had supplied, and it was hard to maintain this quality with certainty if Krupp themselves had no control over the steel works from which they drew their raw material. Moreover, the new types of machines and new techniques now being developed in the post-war world called for new types of steel.

Traditionally, Krupp engineers and Krupp steel men had always collaborated closely in laying their plans for the development of new kinds of metal. If the empire were to be permanently divided, this would no longer be possible. And, finally, Alfried Krupp argued that without the coal and steel interests his firm would be viable only in periods of economic prosperity, which could not be guaranteed to last for ever. On the moral side, the Krupp argument went that the 1953 agreement had been signed only 'under duress'. And, pertinently, Krupp spokesmen posed to critics the question, 'Can a subject of a sovereign state sign away his birthright to three foreign powers?'

In the early days of the problem, all kinds of possible alternative solutions presented themselves to Alfried Krupp. The agreement with the Allies had stipulated that Krupp should not have coal and steel holdings inside Germany itself; it said nothing about foreign countries. Thus, if he wished, Alfried was free at any time to acquire coal mines or steel works in Belgium, France—or indeed anywhere outside Germany. At one time the Government of Mexico offered him free land and many other advantages if he would set up a steel industry in that country. Alternatively, Krupp could have handed over his steel interests to his son, or sold them to friends—in which case he would have been bound not by the de-concentration law but only by the decisions of the High Authority of the European Coal and Steel Community in Luxembourg, which was concerned not with past polemics, but with practical steps

for building the present and the future, and was always ready to put a premium on efficiency. The fact that Alfried Krupp always studiously avoided any such makeshift solutions can be taken either as an indication of his personal integrity or as evidence of his self-confidence in his ability to win the battle on his own terms—or both. Studying the record in retrospect it seems that every step which Alfried Krupp took, from the first to the last, was taken on the long-term assumption that sooner or later his coal and steel interests would come back to him. It was a game which was a gamble, but Alfried Krupp played it with characteristic cool-headedness and skill.

First there was much preparation and propaganda to be done and Alfried Krupp's officials were past masters at this. No opportunity was lost for putting the Krupp case emphatically in every possible useful quarter. Financial writers from leading newspapers of the western world were discreetly canvassed. Foreign diplomats were taken on conducted tours of the Krupp works. They were shown what peaceful articles were now being produced—the trucks, the locomotives, the false teeth of stainless steel, the shoe polish, even a special line of sausages, and they were asked why a concern which was of such obvious benefit to a world in need of consumer goods should be unnecessarily handicapped? They were conveyed in motor coaches, with stewardesses speaking perfect English or French, to see the Rheinhausen Hüttenwerk, Europe's largest complex of mines, and they were lectured about the impracticality of the Allied selling orders. When, later, the Greek ship-owner Aristotle Onassis had cause to complain to Krupp about a defect in the steel of a turbine engine which had been delivered to him, Alfried hastened to make the point that such a defect would never have arisen if the original steel had been cast by a firm under full Krupp control.

Beitz himself, of course, was indefatigable in The Cause. As far as Britain was concerned, the state of popular feeling about the name of Krupp made it difficult to do anything very effective in the early stages, but Alfried Krupp found an able spokesman to present his case there privately at a high social level. He appointed as his personal representative in London the Danish Count Ahlefeldt, who, before the war, had been in Hambros Bank, and had worked at different times both in Germany and Britain. He had a house in Eaton Square and many useful

contacts in high political, industrial, and financial circles. It was on Count Ahlefeldt's advice that Alfried Krupp began to give discreet but hospitable shooting-parties to which were invited such guests as the British Ambassador to Bonn, Sir Christopher Steel, and through the Count, too, Alfried came into contact with many other international figures, including the Greek ship-owners, Niarchos and Onassis. In America the general sentiment, especially in high political and business circles, was, from an early date, not totally unfavourable to Krupp. There Beitz maintained his own public relations adviser in the person of the newspaperman Edwin Hartrich and he himself made a number of visits to the United States, even, in May 1957, sitting in a place of honour next to Vice-President Nixon at the Centenary Dinner of the American Steel Industry in the Waldorf Astoria Hotel in New York. In Essen itself, the public relations service of Krupp was organized on new and highly efficient lines under a chief public relations adviser, Professor Carl Hundhausen. Brochures, booklets, and Press releases in many languages poured out from this department to tell the world of Krupp achievements and explain the Krupp point of view. The same department prepares a daily confidential bulletin for circulation among Krupp directors summarizing events and opinions in the world as they may affect Krupp policy.

Alongside the assault on world public opinion was the problem of Alfried Krupp's relationship with German officialdom. Of most immediate concern to him was the attitude of the 'three wise men' who, under the 1953 agreement, had been appointed as the 'Trustees' of the Hütten- und Bergwerke Rheinhausen, the holding company which owned the steel works, coal mines, and coal-fields which had formerly been Krupp's. It was these three men, the former German Chancellor Dr. Hans Luther, and the bankers Dr. Herbert Lubowski and Carl Goetz, who had been entrusted by the Allies with the arduous task of disposing of these Krupp interests to any German buyer who could be found. To do them justice, all three of them performed their duties as conscientiously as they possibly could. They had both moral and material reasons for wishing to see the sale of the holding company put through. Not only were they under official obligation to do it, but the terms of the agreement provided that the trustees should, in the event of a sale being effected, share a commission of 0.5 per cent of

the purchase price. Seeing that the value generally put upon the Hütten- und Bergwerke Rheinhausen Company was anything between £66,000,000 and £83,000,000 the trustees would have stood to gain something like £125,000 each if Krupp had finally been divested of his coal, iron, and steel interests. It is therefore hardly surprising that the relationship between Beitz on the one hand and the three trustees on the other should have been one of mutual suspicion, if not hostility. This was not lessened when Beitz coolly insisted on turning up as an 'observer' at board meetings of the companies from which Alfried Krupp himself was excluded.

In the matter of Alfried Krupp's relationship with the Bonn Federal Government, Beitz left no stone unturned to put pressure on Dr. Adenauer to act with the Allies on Krupp's behalf. At the Paris conference of 1954, Germany had accepted responsibility for the carrying out of the famous 'Law 27' against excessive concentration of German industry. This placed the German Government in the awkward situation of having at the same time to try to fulfil its legal obligations and also to further the cause of German industrialists. It seems as though, in the early stages at least, the Chancellor showed uneasiness about this position. On one occasion there is said to have been a somewhat stormy interview when Alfried Krupp took Beitz along with him to see the German Chancellor and the Krupp General Manager became vehement in his expostulations that it was the 'duty' of the Bonn Government to support Alfried's interests. Beitz argued that the limitations imposed on Krupp were against the freedom of professional activities guaranteed in the Bonn Constitution, and at one time, somewhat incautiously, threatened that action might be taken against the Adenauer Government itself for a breach of these constitutional guarantees. Beitz also seized triumphantly on one sentence of a statement which had been made by Dr. Adenauer to the Western Allies in the course of the Paris conference. The Chancellor had pointed out then that it was possible that difficulties would arise with regard to the carrying out of the compulsory sale of German industrial properties and had added, 'I must therefore reserve to myself the right to raise this question again at some suitable time.' This, suggested Beitz, provided exactly the loophole which was necessary to enable the German Chancellor to champion the cause of Alfried Krupp. From the German Minister of Economics,

Professor Erhard, primarily interested in his country's industrial development, Krupp received from the first unstinted support.

Simultaneously with these behind-the-scenes political moves, Alfried Krupp was engaging in a number of prudent financial transactions. One of them was to fly off again to Nassau with Beitz for a visit to that old friend of the family Axel Wenner-Gren, to discuss his problems and what could be done about them. Almost unnoticed by the public at the time, Wenner-Gren, who had never been previously interested in steel, bought in 1954 approximately a forty per cent share in the concern known as the Bochumer Verein für Gusstahlfabrikation, a Ruhr firm specializing in high quality and special steels, with a nominal value of some £8,000,000. This concern was of immense interest to Alfried Krupp, for it had a steel-producing capacity of 1,500,000 tons a year, and, as a development of its specialization in high-quality steel, it had introduced a process for casting big steel blocks in a vacuum. It was obvious that this was exactly the plant which Alfried Krupp needed to replace the vital Borbeck plant of Krupp which had been first demolished by Allied bombardment and then dismantled and sent to Russia. The purchase of these first shares in the Bochumer Verein by Alfried Krupp's friend was the initial move in a carefully laid campaign the fulfilment of which was not to be seen until 1959.

Meanwhile, Alfried carried out some business himself. As a sop to the Allied orders, he did in fact sell two of the coal mines which stood to be disposed of—the Emscher-Lippe mine was sold to the Hiberner Coal-mining Corporation in which the Federal Government itself had a controlling share (and therefore might possibly some day be in a position to hand it back to Alfried Krupp again), and the Constantin der Grosse mine which was sold—oddly enough—to the Bochumer Verein, who are understood to have paid some 37 million marks for it. This was in 1956, by which time Dr. Wenner-Gren had acquired a further packet of shares in the Bochumer Verein and was now in control of it on behalf of his friend Alfried Krupp. Later a further twenty-seven per cent interest in the coal mine was bought by the Rheinhausen steel plant which—as was becoming increasingly evident—was less and less likely to pass for ever out of the grip of Krupp.

The year 1957 saw Krupp's plans coming out into the open and the West German Chancellor now giving him increasingly open

backing. In February Dr. Adenauer, in a letter addressed to the three Allied governments, asked that the Krupp agreement be allowed to lapse because it was going to be hard to find buyers for the Krupp coal and steel interests. This, to be sure, was the case. There had, up to that time, been only one serious offer made for the Rheinhausen holding company and that had been one of ten million dollars from the American Colorado Fuel and Iron Corporation, who proposed to take over fifty-one per cent of the capital of the Rheinhausen group at that price. The trustees had decided that this was an inadequate offer and, moreover, under the agreement, they were not compelled to accept offers from abroad. From the German side, no offer whatever had come, and it was obviously a point of honour among the barons of the Ruhr to make no bid for the Krupp interests. The British reply to Dr. Adenauer's plea was to ask the Bonn Government for a progress report on what had actually been done in the matter of breaking up concentrations of German industry.

By now Alfried Krupp was feeling his position strong enough to come out and make still more open moves. In September 1957 it was coolly announced that Berthold Beitz was to be Chairman of the Rheinhausen holding company and that its head office was being moved to Essen. The announcement of Herr Beitz's new post was carefully timed, being made three days before polling day in the Federal elections, and it therefore passed almost unnoticed in the Western German Press. But the move occasioned a first-class row with the 'three wise men', the Krupp trustees. They appealed to the Federal Government, pointing out that their mission was to sell the Rheinhausen companies to remove them from the clutches of Krupp and that it was intolerable that Krupp should now be represented in the Chairmanship by his own general manager Beitz. But Bonn reassuringly replied that it did not feel this step as an infringement of any existing agreement.

And from Britain too came a significant indication that Alfried Krupp was making real progress. When, in December, Lord Elibank asked the Government for an assurance that Britain would not agree to release Herr Krupp from any of his undertakings, the Foreign Office spokesman Lord Gosford refused to give a clear answer. Other governments, he explained, would have to be consulted first. Angrily, the *Evening Standard* asked, 'What possible reason can there be for

Britain to be soft towards Herr Krupp? Apart from growing prosperous, he has done nothing in the past years to justify a change of mind.'

But criticism meant little to Alfried Krupp any more. He felt confident enough now to make yet another demonstrative move. Early in 1958 he sent one of his own directors, Dr. Carl Hundhausen, to become Director-General of the Bochumer Verein, now completely under the control of Dr. Wenner-Gren, through the medium of a 'cover company' in Cologne, so the great steel works moved one step nearer to total Krupp control.

A couple of months later, Alfried made, in Essen, an openly defiant speech. He described the Allied de-concentration demands as 'intolerable' and said that the Federal Republic was a sovereign state and should not carry out measures contrary to the basic rights of the Republic.

Then he did something even more defiant still. He applied to the High Authority in Luxembourg to approve of his buying the Bochumer Verein. The High Authority agreed. And, strengthened by this approval, which he could set in the balance against the Allied anti-concentration orders, Alfried Krupp took his decisive and ingeniously planned step. Under the direction of its chairman, Krupp's General Manager Berthold Beitz, the Rheinhausen holding company took a controlling share of the Bochumer Verein. The Rheinhausen plant itself had a normal capacity of over two million tons of steel a year and the Bochumer Verein of over one million five hundred thousand tons. The two together would give Krupp a total annual steel capacity even greater than the firm had before the war. And the acquisition of the Bochum firm brought back into the Krupp fold the Constantin der Grosse coal mine which had previously been sold to it—as one of the only two Krupp concerns which he had disposed of under the Allied orders.

Nominally, of course, the Rheinhausen company which had now bought the Bochumer Verein was itself still subject to the Allied selling order. Alfried Krupp was gambling that the order would never be carried out and even at that stage he felt that he was on a certain bet. Abroad, more especially in Britain, there was the usual Press outcry and Krupp's redoubtable opponent, Viscount Elibank, asked more searching questions in the House of Lords, but there was not much that

anybody could do about Krupp's move. When the Bonn Government had, after a delay of many months, replied to the British query about the progress of de-concentration, they had blandly answered that this whole question was now principally a matter for the High Authority. And it was generally known that Luxembourg had always permitted the re-merger of former parts of one concern provided that the new unit did not top in size the largest existing combines within the coal and steel pool area—which the Krupp combine did not.

Swiftly Alfried Krupp followed with another move. In February 1959 the West German Government formally asked the Western Allies on his behalf to extend by twelve months the time-limit by which he was supposed to sell the coal and steel holdings. They did this on the very day that the time-limit was otherwise supposed to have expired. It seemed increasingly obvious to everyone that, in fact, the sale would never be carried out at all. And even in Britain, moderate commentators were seen to be taking this possibility quietly. *The Times* once again came to Alfried's aid with a leading article which said, 'The pitch has been queered by the Coal and Steel Community, which claimed to judge whether concentrations are harmful. . . . Industrial measures which took shape in various stages between 1946 and 1953 are not appropriate to the Germany of 1959, or to the relationships which have developed between the Federal Government and the governments of the former occupying powers. There is nothing to be gained by pressing too literally the terms of a settlement which cannot be executed without hard feelings on both sides.' Even Britain, it seemed, was now reluctant to have a show-down with the Bonn Government just for the sake of frustrating Alfried Krupp. A few persistent critics continued to raise their voices in the British Press and Parliament, such as Lord Elibank, who repeated his demands that 'this infamous war criminal' should carry out his original undertakings and, in the House of Commons, Mr. Eric Johnson, a Conservative Member who declared 'there is already a great deal of public indignation at the way this large-scale employer of slave labour has been treated'. But the British Government had an easy way out. They were able to point out that, under the terms of the Bonn Agreement regarding a case of this kind, a mixed committee was to be appointed to discuss whether or not Herr Krupp should be allowed to extend his time-limit. Until this committee had

reported, it was pointed out, it was hardly possible to make any further statement.

And now, in Germany, Krupp's propaganda guns went fully into action. A demand for the ending of conditions imposed upon Krupp was made by the German Industrial Institute in Cologne, the spokesman of the interests of German employers. 'In a period of international co-operation and European integration,' said the statement, 'remnants of a dispersal policy once intended to cut German economic strength out of world markets are untimely. Such a dispersal would destroy all links which have grown organically. Not only the firm of Krupp would suffer, the whole German economy would be damaged.' In Essen, a Krupp spokesman repeated the argument that Alfried's 1953 undertaking had been 'not a promise because it was given under compulsion'. There had been 'political developments' since Krupp originally gave his promise, he said, and these had put a new complexion on his original undertaking. And Alfried Krupp himself, addressing three hundred of his oldest employees, again reaffirmed his belief that he should be released from his pledges. 'We have shown patience, now we must have clearness,' he said. 'We want to enter the Common Market on a level footing with other big undertakings in order to compete with them.' The new economic situation in the world, he repeated, made it necessary for concerns to increase in size, for efficiency of working.

With a slowness which was probably deliberate, the Committee to consider the immediate future of Krupp's iron and steel holdings gradually came into being. It consisted of one British member, Sir Edward Jackson, a veteran legal expert and former Attorney-General who had seen service in Africa, Cyprus, and in Germany just after the war, an American legal and economic expert, Judge Spencer Phenix, a French diplomat in Bonn, François Leduc, and three Germans. A prominent Swiss banker, Dr. E. Reinhardt, General Director of the Crédit Suisse, was elected Chairman. It was six months from the time when Alfried first applied for the extension of the time-limit on his selling orders to the moment when the Committee held its first meeting, on 3 June, 1959. For reasons of policy, neither Alfried Krupp nor the Bonn Government saw any need for undue haste in the production of the Committee's report. Every day that passed, it seemed, made the world a little less sensitive about the name of Krupp and, it might be

hoped, made compromise solutions a little easier for public opinion to accept.

Only in the House of Lords did the old suspicions persist about Krupp, and the news of the Committee's appointment brought Alfried's inveterate enemy, Lord Elibank (who had himself once won a D.S.O. in the face of Krupp cannons in the First World War), once more to his feet. He sought a definite assurance from the British Government that the Committee's sole task was to decide whether an extension of time for the disposal of the Krupp securities should be granted, and he also urged that the Committee's deliberations should be made publicly available. Replying for the Government, the Marquess of Lansdowne confirmed that the function of the Mixed Committee was 'to consider applications for extensions of the final time for the disposition of securities'. Lord Henderson apparently shared Lord Elibank's anxiety about the whole proceedings, for he asked specifically, 'whether the Committee has power either to decide or to recommend that the agreement shall be abrogated on the grounds that in their opinion it cannot be enforced?' Lord Lansdowne repeated that, under the Committee's terms of reference, it would 'extend the time fixed for the disposition of the securities, provided that the applicant establishes that all such securities could not, with the exercise of reasonable efforts, be disposed of on reasonable terms'. And he added, 'As I see it, that is the limit of the functions of the Mixed Committee.'

But to Alfried Krupp, parliamentary assurances, like polemics in the Press, seemed largely academic matters now. What was important to him, what he had battled for, and ingeniously planned for, through the years, was the substance and not the legal form. And every sign on the political horizon seemed to point to the fact that at last Alfried Krupp's bid for total reinstatement was drawing to its inevitable conclusion.

Confirmation of this came in January 1960 when the seven-member Commission announced that Krupp was to be granted a further period of a year's respite. The Commission's decision, which aroused singularly little protest in the world's Press, was the tacit recognition that Krupp's reinstatement in the post-war world was now virtually complete. It could now only be a question of time before the original Allied order was rescinded altogether. What Krupp had, from now on he would hold. The gamble had been won.

EPILOGUE

THE LONELY VICTOR

NUREMBERG is a forgotten name in Essen now. No trace, virtually, remains in the Krupp empire of the men who, in war's aftermath, faced the obloquy of the world alongside Alfried Krupp. Gustav died miserably. Dead, too, is Alfried's one-time close associate of the war-time Board, Professor Goerens. His son was killed in the last months of the war and the Professor himself fell from the window of his apartment house in Essen in October 1945. Of the eleven men sentenced with Alfried in Nuremberg, only three returned to work in the firm after their release from prison: old Dr. Janssen, who later retired, Eduard Houdremont, the steel expert, who went back to head the Research Department but died in 1958, and Karl Eberhardt, who today alone of the three remains, as head of the Sales Department of the Krupp Automobile Works in Essen.

New faces now sit around the sleek elm-wood conference table high in the Krupp administrative building, where Beitz, with his flashing and faintly menacing smile, presides. They are the chiefs of the policy-making four-man 'Cabinet' established under the Beitz reorganization plan, plus one deputy, and four of them are Kruppians of many years' experience. Dr. Hans Kallen (fifty-eight), who heads the Central Department dealing with technical matters, has been with the firm as a metallurgist since 1927, and a director since the reorganization of 1943. Johannes Schröder (fifty-four) was with the Dresdner Bank until he joined Krupp in 1938: he is now the chief of the Central Department 'Finance'. Dr. Hermann Hobrecker (fifty-seven), who started his career as a salesman in Britain, Holland, Belgium and the Argentine,

entered the steel Sales Department of Krupp in 1931 and now heads the Central Administrative Department. Paul Keller (fifty), head of the Central Sales Department, was for many years active as a salesman in the Düsseldorf Klöckner Company, and in 1953 became Sales Director of the Rheinhausen concern. Finally Dr. Paul Hansen (fifty-seven), the deputy member of the Board, has been with the firm since 1929 and in one way has had the oddest career of them all. For, in 1945, through no wish of his own, Dr. Hansen was appointed by the British occupation authorities to take charge of the enforced demolition of the Krupp factories, a work which he carried on glumly until 1950, when the Allied policy was turned upside down. Then Dr. Hansen simply set his activities into reverse: he was appointed chief of the Krupp rebuilding enterprises in Essen.

Of considerable importance to Alfried Krupp's international relations is his chief representative in the United States, Heinrich Heep (forty-seven), a marine engineer of long experience who has the unusual distinction of having worked in that capacity in both Britain and the United States. After having dealt with the problems of the German Navy right through the war, Heep, as a valuable technical man, was 'borrowed' by Vickers-Armstrong in Britain in 1945–6 as an advisory engineer, and then from 1946–52 by the United States Navy Engineering Experimental Station. He joined Krupp in 1957 and today is Director of Krupp International Inc., New York.

These are the men whom Alfried Krupp has chosen to guide the destinies of his firm and who appear to be carrying it to constantly new heights of prosperity.

The decade from 1950 to 1960 has seen a penniless prisoner become a dollar billionaire. There seems little reason to doubt that in the decade which follows, Alfried Krupp will consolidate his position still further. Apart from a proposal made by an enterprising Dutch scrap dealer, Mr. Louis Worms, to form an international company to buy the Rheinhausen concern, a proposal which was conveniently considered impractical, there has been no serious threat, even after so many years, to force Herr Krupp to dispose of his shares, or to turn the company, as might have been done, into the hands of wide public ownership, on the lines of the Volkswagen concern. The fall of Alfried Krupp seemed at the time disastrous: his rise has been no less sensational.

What forces have paved the road for Alfried so effectively back from Nuremberg to the Ruhr? Many factors, surely, have combined. One leading one has certainly been that since the war the menace of Communism, atom-armed, has held the world in a semi-mesmeric grip. Krupp's empire has become tacitly approved by many people because they regarded it as a bulwark against Communism—some of them, no doubt, the same people who once thought the same thing of Hitler. Western economists also, no doubt, fear that the enforced disruption of the Krupp undertakings would seriously damage the western, as well as the German, economy. Those fears which Chancellor Adenauer is known once to have entertained of such immense economic power resting in the hands of a single man, appear by now to have been assuaged. A popular German view is that such a concentration of power is needed for economic efficiency and is no longer dangerous because of the safeguards supplied by the European Coal and Steel Community and the Common Market, in the framework of which the Krupp concern must work. In Germany at least there is no doubt a further factor contributing to the acceptance of the rebirth of Krupp—that it is regarded as a spectacular and defiant monument to the *Wirtschaftswunder*—that economic miracle which has given more solid sustenance to German pride than all the bands and banners of the Nazis.

And money talks, too. The sheer extent of Alfried Krupp's wealth has obviously been one of the factors which has helped him to eradicate the bitter memories of the past. Krupp funds have aided the City of Essen to present its new face to the world as a centre of culture and light. Krupp money has gone to scholarships for sons of Kruppians to study abroad and for foreign students to come to Essen. A favourable impression was made in the United States when, on the eve of Christmas 1959, Krupp announced that he would make available six million marks (some £510,000 or over $1,500,000) as compensation for wartime Jewish slave labourers in Krupp factories. The agreement to this effect was concluded with the Conference on Jewish Material Claims against Germany. It meant virtually that any former Jewish prisoner who could prove that he worked for Krupp would receive an allocation of about £425 ($1,200). If the total offered proved insufficient, Alfried Krupp promised to increase his allocation by about half as much again. And this, unlike his undertakings to the Allies,

appeared to be an agreement which Herr Krupp fully intended to keep.

Nobody knows today the exact financial position of the Krupp companies because, since they are privately owned, there is no legal obligation on them to publish detailed balance sheets. Nobody knows, either, the exact extent of Alfried Krupp's personal fortune, though the general belief is that it is not less than around a billion dollars (£300,000,000). Almost certainly no man in the world, except possibly the American oil magnate Paul Getty, is wealthier than he. In a speech in March 1960 Krupp was able to announce that the total turn-over of the Krupp undertakings, including the coal and steel concerns, in 1959 had amounted to 4,372 milliard marks (about £371,000,000). The firm of Fried. Krupp and its subsidiaries was, at the end of 1959, employing 53,884 people (as compared with the 16,000 when Krupp came out of prison), an increase of 2,000 over the previous year. The coal and steel enterprises gave work to 52,942 people more. Alfried Krupp spoke confidently of new fields which remained to be conquered in such spheres as modern traffic developments, atomic energy, and artificial textiles.

Thus it would seem that the economic miracle, in which he has himself played such a miraculous part, has brought Alfried Krupp everything that he could desire. Yet that cliché which is the standing consolation of the world's 'little men', that 'money cannot buy happiness', seems singularly applicable to Alfried Krupp. When you talk to him, his gaunt figure, his cold, shrewd eyes, his carefully impersonal manner, radiate no message of personal warmth such as makes human contacts easy. A man who finds it hard to give anything of himself to others is not a man to whom friendship easily comes. 'Our Herr Alfried is a lonely man,' say sympathetic Kruppians. 'He's such a gentleman,' says Beitz. But even smoothness and self-control and steely determination are not qualities which aid warm human relationships.

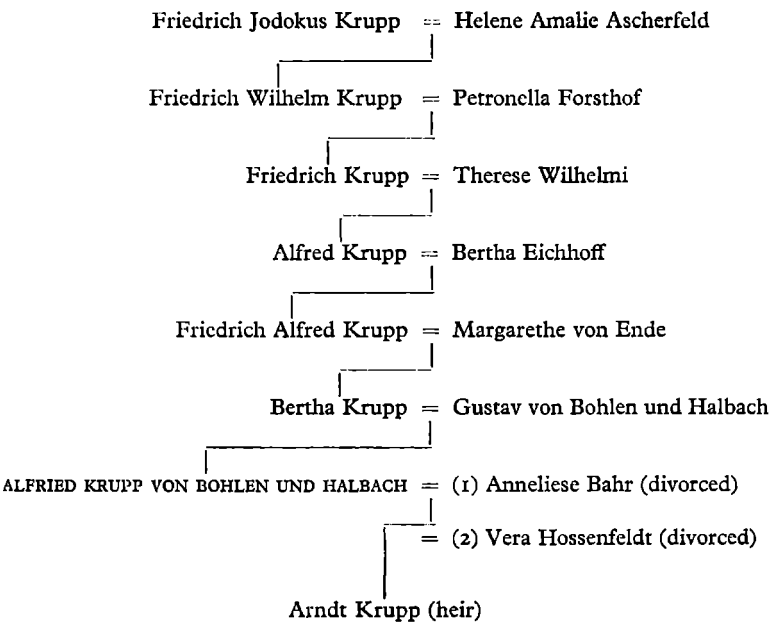
Today, at the peak of success, Alfried Krupp is still 'a lonely man'. There can have been little love in his relationship with his father, and his mother, Bertha, died in 1957. He lost both the two women whom he once had loved, and his second marriage ended in considerable bitterness. He has a thousand friends—and no intimates. If Ibsen was right that 'the strongest man . . . is he who stands most alone', then Alfried Krupp today is strong indeed.

APPENDIXES

APPENDIX I

FOUNDERS OF FORTUNES

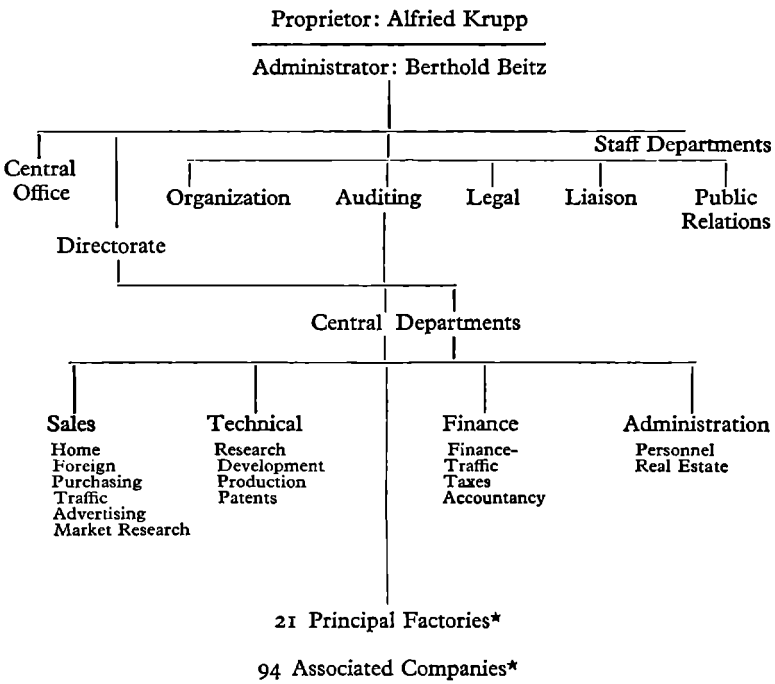
The Ancestry of Alfried Krupp



APPENDIX II

'STREAMLINING' THE KRUPP EMPIRE

The Beitz Organization Plan, introduced in 1958



* See Appendix III for lists of these companies and factories.

APPENDIX III

THE ORGANIZATION OF THE KRUPP CONCERN

MANAGEMENT

Sole Proprietor

Alfried Krupp von Bohlen und Halbach

General Manager

Berthold Beitz

Executive Board

Full members:

Dr. Hermann Hobrecker
Dr. Hans Kallen
Paul Keller
Dipl.-Volkswirt Johannes Schröder

Deputy member:

Dr. Paul Hansen

WORKS DIVISIONS AND AFFILIATED COMPANIES

Fried. Krupp Rohstoffe, Essen
- Minas-Rohstoffgesellschaft mbH, Essen
- Sieg-Lahn Bergbau-GmbH, Essen
- Krufter Tonbergbau und Steinindustrie GmbH, Kruft (Rhld.)
- Krupp-Seeschiffahrt GmbH, Bremen
- Panopa-Industrie-Spedition GmbH, Essen
- SA Hellénique Metallurgique et Minière, Athens

Fried. Krupp Schmiede und Giesserei, Essen
Fried. Krupp WIDIA-Fabrik, Essen
Fried. Krupp Industriebau, Essen
Fried. Krupp Maschinenfabriken Essen, Essen
Fried. Krupp Maschinen- und Stahlbau Rheinhausen, Rheinhausen
- Fried. Krupp Stahlbau Hannover, Hanover
- Fried. Krupp Stahlbau Altbach, Altbach
- Fried. Krupp Stahlbau Goddelau, Goddelau
- Ardelt Industries of Canada, Kitchener (Ontario) (structural steelwork and containers)

Fried. Krupp Eisen- und Stahlhandel, Essen

Krupp Eisenhandel GmbH, Duisburg
with branches in Dortmund, Essen, and Hagen (Westf.)
Krupp Eisenhandel Frankfurt GmbH, Frankfurt
Krupp Eisenhandel München GmbH, Munich
Krupp Eisenhandel Stuttgart GmbH, Stuttgart
Georg von Cölln GmbH, Hanover
Krupp-Druckenmüller GmbH, Berlin-Tempelhof
Schellhass & Druckenmüller GmbH, Bremen
Ebeling & Schürmann GmbH, Bremen
Lerch & Seippel GmbH, Hamburg
Ziegler-Klein GmbH, Remscheid
Krupp Eisenhandel Freiburg GmbH, Freiburg i.B.
Krupp Eisenhandel GmbH, Düsseldorf
Krupp-Indien Handelsgesellschaft mbH, Essen
Fried. Krupp Baubetriebe, Essen
Fried. Krupp Konsum-Anstalt, Essen
Bodendorfer Thermal-Sprudel GmbH, Bodendorf (Ahr)
Nahrungsmittelwerk Serkenrode GmbH, Serkenrode
Fried. Krupp Gemeinschaftsbetriebe, Essen
Fried. Krupp Krankenanstalten, Essen
Fried. Krupp Grafische Anstalt, Essen
Fried. Krupp Hügelgärtnerei, Essen
Fried. Krupp Lehrwerkstatt, Essen
Badische Wolframerz-Gesellschaft mbH, Söllingen
Fried. Krupp Motoren- und Kraftwagenfabriken GmbH, Essen
Krupp Kraftfahrzeuge Essen GmbH, Essen
Krupp Kraftfahrzeuge Hannover GmbH, Hanover
Krupp Kraftfahrzeuge Bielefeld GmbH, Bielefeld
Krupp Kraftfahrzeuge Kassel GmbH, Kassel
Krupp Kraftfahrzeuge Bremen GmbH, Bremen
Krupp Kraftfahrzeuge Hamburg GmbH, Hamburg
Krupp Kraftfahrzeuge Köln GmbH, Cologne
Krupp Kraftfahrzeuge Frankfurt GmbH, Frankfurt
Krupp Kraftfahrzeuge Karlsruhe GmbH, Karlsruhe
Krupp Kraftfahrzeuge Stuttgart GmbH, Stuttgart
Krupp Kraftfahrzeuge München GmbH, Munich
Krupp Kraftfahrzeuge Nürnberg GmbH, Nuremberg
Krupp Kraftfahrzeuge Berlin GmbH, Berlin
Camion Krupp S.A., Brussels
Harburger Eisen- und Bronzewerke AG, Hamburg-Harburg (machinery for the rubber industry, oil expelling and carcase reduction plants)
Krupp-Ardelt GmbH, Wilhelmshaven (crane construction)
Krupp-Dolberg GmbH, Essen (excavators and narrow-gauge railways)
Krupp Reederei und Kohlenhandel GmbH, Duisburg-Ruhrort
Rhein-Weser Transportgesellschaft mbH, Bremen
Ruhrorter Schiffswerft und Maschinenfabrik GmbH, Duisburg-Ruhrort
'Wisco' Westdeutsches Industrie- und Schiffsbedarfs-Contor GmbH, Duisburg-Ruhrort
Westdeutsches Assekuranz-Kontor GmbH, Duisburg-Ruhrort
Stegmann & Co. KG, Bremen

APPENDIX III

Bd. Blumenfeld GmbH, Hamburg (coal trade)
  Kohlengrosshandel Ihde GmbH, Lübeck
Krupp Kohlechemie GmbH, Wanne-Eickel
Krupp do Brasil Ltda., Campo Limpo (forgings)
Aktien-Gesellschaft 'Weser', Bremen (ship-building)
'Weser' Flugzeugbau GmbH, Bremen
  Motorenwerk Varel GmbH, Varel i. O.
  'Weser' Wohnstätten GmbH, Nordenham-Einswarden
  'Weser-Fursorge' GmbH, Bremen
Kleinwohnungsbau Krupp Gemeinnützige GmbH, Essen
  (Coal mines, iron and steel works)
Arbeitsgemeinschaft BBC-Krupp, Düsseldorf (atomic reactors)
Hütten- und Bergwerke Rheinhausen AG, Essen
Hüttenwerk Rheinhausen AG, Rheinhausen
  Interessengemeinschaft HWR-Schenker & Co., Duisburg
  N.V. Stuwadoors Maatschappij 'Kruwal', Rotterdam
  Erzkontor Ruhr GmbH, Essen
Bochumer Verein für Gusstahlfabrikation AG, Bochum
  'Wurag' Eisen- und Stahlwerke AG, Hohenlimburg
  Gewerkschaft Christine, Essen-Kupferdreh
  Carolinenglück Bergbau AG, Bochum
  Graf Moltke Bergbau AG, Gelsenkirchen
  Silika- und Schamotte-Fabriken Martin & Pagenstecher AG, Cologne-Mulheim
Bergwerke Essen-Rossenray AG, Essen
  Gewerkschaft des Steinkohlenbergwerks Verein Helene und Amalie, Essen
  Gewerkschaft Alfred, Essen
  Gemeinnützige Siedlungsgesellschaft Essen-Rossenray mbH, Essen
  Niederrheinische Grunderwerbsgesellschaft mbH, Kamp-Lintfort
Steinkohlenbergwerk Hannover-Hannibal AG, Bochum-Hordel
  Bochum-Hordeler-Kohlenhandelsgesellschaft mbH, Bochum-Hordel
Bergbau AG Constantin der Grosse, Bochum
  Bochumer Kohlenkontor GmbH, Bochum
Harz-Lahn-Erzbergbau AG, Bad Harzburg
  Erzbergbau Porta-Damme AG, Dützen b. Minden
  Erzbergbau Siegerland AG, Betzdorf