

The New Criterion

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The Red House Report

by Michael Weiss

My friend Adam LeBor has just written his first work of fiction, a political thriller set at the end of World War II and titled *The Budapest Protocol*. Rather like the Valkyrie plot to assassinate Hitler and restore Tom Cruise's career, LeBor's book is rooted in historical fact. However, his expose in the *Daily Mail* explaining the warp and woof of this Nazi conspiracy is more intriguing because the conspiracy actually succeeded:

The three-page, closely typed [Red House Report], marked 'Secret', copied to British officials and sent by air pouch to Cordell Hull, the US Secretary of State, detailed how the industrialists were to work with the Nazi Party to rebuild Germany's economy by sending money through Switzerland.

They would set up a network of secret front companies abroad. They would wait until conditions were right. And then they would take over Germany again.

The industrialists included representatives of Volkswagen, Krupp and Messerschmitt. Officials from the Navy and Ministry of Armaments were also at the meeting and, with incredible foresight, they decided together that the Fourth German Reich, unlike its predecessor, would be an economic rather than a military empire - but not just German.

advantage. Hermann Abs, a prominent board member of Deutsche Bank, which "Aryanized" Jewish-owned Austrian and Czechoslovak banks beginning in 1937, later was put in charge of administering Marshall Aid. LeBor writes:

Hannah Arendt coined the term "fascist international" and presciently observed that a chauvinist hyper-nationalism is not mutually exclusive from what we would now toothlessly call "globalism" (see the phenomenon of pan-Arab nationalism, for instance, which declares itself a seeming contradiction in terms but shakes out rather coherently). LeBor's argument is that it is impossible to conceive of the European Union -- in form if not ideology -- without examining a quiet but shrewd 1944 plan for resuscitating the Reich in the aftermath of certain military defeat. A mass pardon of Nazi industrialists, such as Alfried Krupp and Friedrich Flick, preceded the establishment of the European Coal and Steel Commission, of which they then took extreme

Crucially, Abs was also a member of the European League for Economic Co-operation, an elite intellectual pressure group set up in 1946. The league was dedicated to the establishment of a common market, the precursor of the European Union.

Its members included industrialists and financiers and it developed policies that are strikingly familiar today - on monetary integration

and common transport, energy and welfare systems.

When Konrad Adenauer, the first Chancellor of West Germany, took power in 1949, Abs was his most important financial adviser.

Behind the scenes Abs was working hard for Deutsche Bank to be allowed to reconstitute itself after decentralisation. In 1957 he succeeded and he returned to his former employer.

And the main economic theorist of renascent industrial Germany, Ludwig Erhard, became Adenauer's first postwar economics minister before ascending to the chancellorship himself.

LeBor's conclusion is as dark as they come: "[T]he German economic miracle – so vital to the idea of a new Europe - was built on mass murder. The number of slave and forced labourers who died while employed by German companies in the Nazi era was 2,700,000."

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