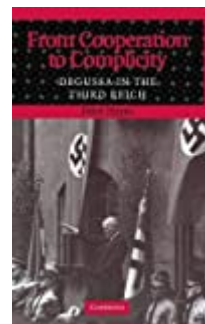


Peter Hayes. *From Cooperation to Complicity: Degussa in the Third Reich.* Cambridge: Cambridge University Press, 2004. 373 pp. \$40.00 (cloth), ISBN 978-0-521-78227-2.



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Published on H-German (January, 2006)

In his concluding lines Peter Hayes calls his book an outgrowth of “German society’s collective confrontation (after a long delay), with what it did from 1933 to 1945” (p. 322). German business joined in this confrontation rather late, and considerations of global economic interest were certainly part of its motivation. But once it got under way it evolved in many cases as a serious attempt to learn the full truth. Archives were opened without restrictions and the commissioned scholars were provided with generous financial as well technical assistance. The result has been a still-growing number of publications sponsored by German firms that explore their role and performance in this fateful period while showing no signs of interference or censure of the author’s interpretation or conclusions.[1]

The book under review joins this body of research as a meticulous and profound work and a masterful narration of the deeds, and mainly the misdeeds, of a German corporation deeply entangled in the murderous crimes of the Third Reich. Aware of the “risk to a scholar’s reputation entailed in a task of this sort,” its author implores his readers from the start to approach his “account with an open-minded and skeptical spirit.... Even as readers properly allow for ... possible seductions of proximity,” they should keep in mind that the book was neither censored nor endorsed by the firm who “paid the piper” (p. xvi). Reading this volume in the suggested manner, I

learned about Degussa’s close connections with Henkel GmbH, the producer of the famous cleansing agent Persil, and found that this volume is all but a *Persilschein* for Degussa.[2]

This acronym of the Aktiengesellschaft Deutsche Gold- und Silberscheideanstalt vormals Roessler was introduced internally only in 1943, seventy years after the firm’s incorporation, and only in 1980 was it adopted as the official name of the “far-flung multinational that bore this name in the second half of the twentieth century” (p.2). It had started in Frankfurt am Main as a small smelting operation for precious metals, but flourished through the growing demand of standardized coinages, first for the South German states after 1834 and then for the German Empire after 1871. From these beginnings it developed as a “rather little big business,” in the shadows of such German corporate giants as I. G. Farben, Vereinigte Stahlwerke, Krupp or Siemens (p. 1). Its chain of managers seem to have been consistent in their foresight and ability to profit from the business opportunities offered by political and military upheavals in the course of two world wars and the years between, as behooves businessmen who care for their firms and shareholders. However, by the very nature of its production lines (metal refining and its chemical byproducts), as well through a probably greater than usual neglect of moral

scruples, Degussa has “left its fingerprints on many of the most dramatic—and, in some cases, criminal—aspects of German history between 1933 and 1945. Much of the gold and silver extorted from Europe’s Jews or ripped from their corpses passed through Degussa’s refineries, as did some of the far larger quantities of precious metals plundered from the treasuries and citizenries of occupied Europe.... The Zyklon B used to asphyxiate some one million people at Auschwitz and Majdanek was a Degussa product” (p. 2).

Degussa harvested most during the war, but its managers’ rapid “accommodation to the ideology of the self-proclaimed Third Reich” bore elaborate fruits as early as the first years of National Socialist rule. Serving “the three state-imposed goals,” Aryanization, autarky, and armament, paid off: by September 1936, Degussa could record a “fivefold increase since 1933 from shareholdings in other firms ... a stunning growth, largely through Aryanization” (p. 15). Such early gains were exceeded in the years to come. By the firm’s own calculations of September 1946, its capital assets, after close to 120 million Reichsmark of “losses during and because of the war, and ... even after huge deductions for depreciation and damage ... were still worth nearly three times as much as ... twenty years earlier, and the total property on its balance sheets nearly four times as much. Certainly the bulk of these gains ... are attributable to the Nazi years” (p. 17). We may assume that in the continued possession of the spoils of the lost war Degussa was not more favored than many other German firms that flourished in the *Wirtschaftswunder*. The story of how they were gained, told in this book in scrupulous—at times fatiguing—statistical detail, would not have been less atrocious, however, had the firm made smaller profits or none at all, or even lost money in its transactions.

The early NSDAP connections of some of its board members may have induced Degussa to adjust to the new regime earlier and more submissively than some other German firms (pp. 20f). If it “entailed seeming to meet the ‘New Germany’ halfway and amounted to taking the course of least resistance in the face of Nazi zealotry and thuggery,” Degussa did so in accordance with the “conventional corporate wisdom of the time” (p. 28). The enrollment of longtime party members in the board was certainly part of this corporate consensus. The consideration of an ideological dimension in a work on business history, where utilitarian motivation is usually assigned as the primary and often only factor, is one of the merits of this study. Hayes traces the earlier convictions of some of the leading personnel of the firm, devoting

four full pages to those of Hermann Schlosser, its chairman between 1939 and 1945 (and again 1949–59). He concludes that the man’s ideological background “disposed him to do what the regime requested, from the beginning to the bitter end, even when he did not agree with all that this required” (p. 32). Even while admitting personal differences, we may assume that the higher echelons in the management of other firms shared similar nationalist outlooks. These paved the way to their almost general submission to and active cooperation in the institutional framework of the German economy, which was transformed almost immediately after 1933. Businessmen and their strong organizations, which had formerly stood unbending against any state intervention, accepted, in an astonishingly fast volte-face, the dirigist orders of the “national-socialist economic system” and the Nazi party’s encroachments on the management of their firms.[3]

The first chapter investigates Degussa’s exemplary adjustment and demonstrates the “advantageous results for the enterprise, but terrible consequences for countless Germans, as well as for those ‘inferiors’ the Nazi regime brutalized” (p. 73). Substantial profits emerged during “Aryanization,” the acquisition of formerly Jewish property. Between 1933 and 1944 Degussa and its subsidiaries expended close to nineteen million RM in this competitive “enrichment-run,” as described by Peter Hayes in this and previously published studies.[4] The author is confident that “although it is extremely difficult to specify how much these purchases improved Degussa’s balance sheets and profitability, both during the Nazi period and later, there can be no doubt that Aryanization contributed appreciably to the corporation’s short- and long-term success. All but two of the enterprises taken over returned substantial profits during the 1930s and 1940s; most of them remained in Degussa’s possession through the 1950s, and three of them ... still did at the end of the twentieth century” (p. 74). Thanks to his pedantic perusal of the corporation archives we are offered very detailed accounts of these transactions. As he rightly notes, similar compilations are still scarcely available for, and therefore not comparable with the “involvement of other large German firms in Aryanization” (p. 75 n. 3).

The confines of a review do not permit me to detail the process and its gains, but the book’s tabular representation of the firm’s outlays before and during the National Socialist period and its compensation payments in the aftermath needs some clarification. Personally I have repeatedly questioned the possibility that the losses of the victims of Aryanization can be estimated; similarly,

I question whether the real gains of “Aryanizers” can be depicted solely in monetary terms. Hayes’s table (Appendix F, pp. 337f.) strengthens these doubts. What was the “nominal value” of a Jewish firm, in many cases quoted as essentially lower than the price paid by Degussa, and how to explain this “largesse”? According to extant research, payments to the Jewish owners were based, by order of government and party authorities, on an “Einheitswert,” which was usually lower than the real “Verkehrswert.” A substantial, successively growing part of the *Einheitswert* was subtracted by order of the party’s district economic advisor (*Gauwirtschaftsberater*), the last instance to confirm the prices to be paid.[5] Additionally, how can we estimate the real value of a going concern, which under different conditions would have taken part in the expanding economy before, the “advantages” taken during, and the *Wirtschaftswunder* after the war? Third, how can we calculate the real values of postwar “compensation,” taking—or not taking—into account the change from Reichsmark to Deutsche Mark and other economic and monetary developments? And finally how can we incorporate into such calculations the capital-interest gains of the purchaser and its loss by even “voluntary” Jewish sellers, which accrued in the many years between “Aryanization” and so-called compensation? All of these problems bolster my conviction that all such attempts of evaluation are problematic, as long as they are not based on some generally agreed upon econometric method that has not yet been and may never be developed.

The author regards those data as “an indication not only of how slowly the corporation recognized the nature of what it had done, but also of the extent (and the imperfection) of the justice nonetheless achieved” (p. 106). But his summary of Degussa’s gains from “Aryanization” as well as his outspoken opinion about the firm’s conduct toward Jewish owners after 1945 is far more convincing than the somewhat confusing data of his tabulation. Closely tracing every case “in which the firm or a wholly or jointly owned subsidiary was a party” he demonstrates how “Degussa’s representatives used every legal possibility during the restitution wrangle that followed the war to keep ... what the enterprise had obtained” (p. 106). He concludes that “there can be little doubt that the balance sheet of Aryanization remained positive for Degussa long into the postwar era” (p. 110). The only possible “excuse” for its conduct after 1945 into the late 1950s may be that Degussa did not behave much differently from most German firms, which tried and succeeded in keeping what they obtained during the Na-

tional Socialist regime—in “Greater Germany” before the war and in occupied Europe as the spoils of war. Though only a few of these corporations have so far been investigated, and even fewer have been probed in a manner as deeply detailed as that provided in this study, what has already come to the fore suffices to confirm the dictum that the German entrepreneurs “knew no rethinking and hardly any reflection at the time of upheaval” after the war.[6]

What each of the involved firms could gain, and the part of those gains it could keep, depended mainly on the nature of its products and their importance for the regime’s economic and political goals. In its first years these included autarky, mainly through the replacement of imports, and, starting around 1935-36, armament. The following chapters convincingly show that in both fields Degussa was almost predestined to be in the first ranks of the profiteers. The firm’s experience in the production of chemicals for producing surrogates of natural rubber and fuel proved of essential importance, and the same applies to its metallurgical expertise. During the war this expertise was unscrupulously exploited in the most morbid and murderous crimes of the Holocaust. Degussa’s refineries became the main processors of “Jew metals” starting from the silver spoons confiscated in the “Pawnshop Action of 1938/9” (p. 158), to the gold teeth of the victims murdered in the gas chambers. No fewer than seventy-six deliveries of the notorious “Melmer-Gold” (named for Bruno Melmer, the SS official responsible for these transports) reached Degussa’s plants. The estimated “total quantity of fine gold that Degussa’s refineries derived from these later victims may have gone as high as 5 metric tons (15 percent of Degussa’s gold production from 1939 to 1945)” (p. 189). Degussa’s staff, down to the production line, was aware of the source of these deliveries. But even if specific knowledge cannot be proven, “one simply has no reason to believe that the firm’s leaders would have rejected these intakes ... even if openly confronted [with the circumstances of their origin]” (p. 193). The author can not imagine that “in a context of war and dictatorship, a sense of morality and feelings of shame and disgust would have arisen, let alone prevailed” against the advantages of present profits or future recognition (p. 194).

He arrives at similar conclusions also in the matter of Zyklon B, the hydrogen cyanide gas used in Auschwitz and other extermination camps. That the product antedated the First World War as an effective insecticide, and that a bare one percent of the total wartime output was used to murder people is totally irrelevant to the “endur-

ing infamy of the substance" (p. 272). In Hayes's book, readers can absorb the detailed account of the inventors, producers, and distributors of what became an instrument of mass murder, and begin to deal with the questions of knowledge and guilt. Zyklon B was produced by the Deutsche Gesellschaft Schädlingbekämpfung, better known by its acronym "Degesch," a fully-owned subsidiary of Degussa. At the relevant time and place it was supplied to the SS, mainly by the Tesch & Stabenow GmbH in Hamburg. Postwar evidence from this firm's Berlin office leaves little doubt that Bruno Tesch not only knew that "our Zyklon B would be used for killing people," but even advised the SS that it could be used for that purpose "exactly as on insects, and agreed to show the SS personal how" (p. 285). Himmler's emphatic appreciation of Tesch, who "always has shown himself ready in absolutely exemplary fashion to comply with the orders of the Reichsführer" was certainly well deserved (p. 285). In May 1946, Tesch and his chief aide were sentenced to death by a British military court, while other suppliers of Zyklon B fared better, and thanks to "a change in German law" came away with relatively short jail terms (p. 297).

As for Degussa, Hayes concludes that "although Hitler's war had cost Degussa heavily ... the corporation emerged from the Third Reich richer and stronger than it had been in 1933" (p. 321). It reinstated many of its old managers and granted generous pensions to others, while "fending off demands from its work-force and restitution claimants with reference to the need of the utmost thrift" (p. 319), not to speak of the grudgingly allotted pittance of 10,000 RM as a "donation for the concentration camp inmates" in June 1945 (p. 319). In all these matters Degussa's managers of the postwar years acted very much like those of most other German firms, which moved from cooperation to complicity in the Nazi's crimes. Having followed his narrative, and in the light of the current state of research about the general involvement of German society in these crimes and the masses of direct or indirect beneficiaries from them, [7] I find it hard to differentiate between those who deserve merely "contempt" or rather "condemnation," as Peter Hayes proposes at the end of his introduction (p. 19). The readiness of Degussa's present managers to face, albeit so belatedly, the past of their firm, to open their archives

without restrictions and to promote this profound and merciless account certainly deserves commendation.

Notes

[1]. To name only a few: Gerald Feldman, *Alienation and the German Insurance Business, 1933-1945* (New York: Cambridge University Press, 2001); see H-German review by Marc Engels at <<http://www.h-net.org/reviews/showrev.cgi?path=7501077608540>>; Ludolf Herbst and Thomas Weihe, eds., *Die Commerzbank und die Juden 1933-1945* (Munich: C.H. Beck, 2004); Harold James, *Die Deutsche Bank im Dritten Reich* (Munich: C.H. Beck, 2003); Hans Mommsen and Manfred Grieger, *Das Volkswagenwerk und seine Arbeiter im Dritten Reich* (Düsseldorf: ECON, 1996); and Stephan Lindner, *Hoechst-Ein I.G. Farben Werk im Dritten Reich* (Munich: C.H. Beck, 2005).

[2]. The author was denied access to the archives of Henkel, "obviously of particular importance" (p.viii).

[3]. See in this context Avraham Barkai, *Nazi Economics, Ideology, Theory, and Policy* (New Haven and London: Yale University Press, 1990), especially pp. 106-157.

[4]. Quoted p. 74, n. 1.

[5]. See Helmut Genschel, *Die Verdrängung der Juden aus der Wirtschaft im Dritten Reich* (Göttingen: Musterschmidt-Verlag, 1966), p. 155f.; Frank Bajohr, *Arisierung in Hamburg* (Hamburg: Christians, 1997), pp. 183ff.; Avraham Barkai, *From Boycott to Annihilation* (Hanover and London: University Press of New England, 1989), pp. 69f; 124ff.

[6]. "Daß es kein Umdenken und kaum ein Nachdenken in der Umbruchsphase gab," Paul Erker in Erker and Toni Pierenkemper, eds., *Deutsche Unternehmer zwischen Kriegswirtschaft und Wiederaufbau* (Munich: Oldenbourg, 1999), p.16. See also Avraham Barkai, *Oscar Wassermann und die Deutsche Bank* (Munich: C.H. Beck, 2005), pp. 103ff.

[7]. See Frank Bajohr, "The Beneficiaries of 'Aryanization,'" *Yad Vashem Studies* 26 (1968), pp.173-203; now also Götz Aly, *Hitlers Volksstaat, Raub, Rassenkrieg und nationaler Sozialismus* (Frankfurt am Main: Fischer, 2005).

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Citation: Avraham Barkai. Review of Hayes, Peter, *From Cooperation to Complicity: Degussa in the Third Reich*. H-German, H-Net Reviews. January, 2006.

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