Industry and ideology

The power of big business in the economy of the Third Reich remains one of the most important issues of that disastrous era. Drawing upon prodigious research, much of it in German corporate and government archives, Peter Hayes argues that the IG Farben chemicals combine, the largest corporation in Nazi Germany, proved consistently unable to influence national policy outside the narrow sphere of the firm’s expertise. Indeed, as Hayes shows, the most infamous aspects of Nazi policy – the Third Reich’s armaments and autarky drives during the 1930s, Germany’s advance toward war, the pillaging of Europe, the exploitation of slave and conscript labor, and the persecution of the Jews – occurred despite IG Farben’s advocacy of alternative courses of action. Nonetheless, Farben grew rich under the Nazi regime and was directly involved in some of its greatest crimes.

Peter Hayes is Professor of History and German and Theodore Zev Weiss Professor of Holocaust Studies at Northwestern University.
Industry and ideology

IG Farben in the Nazi Era,
New Edition

Peter Hayes
Northwestern University
For my son, Kenneth
If, however, economic ambitions are good servants, they are bad masters. Harnessed to a social purpose, they will turn the mill and grind the corn. But the question, to what end the wheels revolve, still remains. . . . Mankind may wring her secrets from nature, and use their knowledge to destroy themselves.

R. H. Tawney

Religion and the Rise of Capitalism

If I understand what was going on, it was the negative character of the young man’s fighting position which was his undoing. . . . Not to want to do something may be in the long run a mental content impossible to subsist on. Between not willing a certain thing and not willing at all — in other words, yielding to another person’s will — there may lie too small a space for the idea of freedom to squeeze into.

Thomas Mann

“Mario and the Magician”

But so long as virtue is not rewarded here on earth, ethics will, I fancy, preach in vain.

Sigmund Freud

Civilization and Its Discontents
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Foreword to the new edition

To see this book reprinted some fifteen years after I finished writing it is both gratifying and uncomfortable. On the one hand, reviewers have been generous, and neither they nor I have found a great deal that needs correcting. I was wrong to identify Schwerin von Krosigk as the Finance Minister in 1931, when he was still only the senior civil servant in that ministry and a few months away from promotion. I wish I had known that one of the influences on Hermann Hummel’s political behavior, as well as his decision to emigrate in 1939, was that his wife was Jewish. I may have understated the degree to which anti-Semitism coexisted with opposition to it within the leading ranks of IG Farben in the years surrounding Hitler’s takeover. At least that is the implication of my recent conversations with one of Carl Krauch’s sons and of noticing an anomaly that earlier had escaped me: although Farben defended many of its Jewish employees and the Jewish members of its supervisory board after 1933, it also had elected no Jews to its managing board during the preceding eight years, while their number fell from six to zero.¹ I appear to have been misled by one of Ernst Struss’ postwar affidavits into thinking that the targeted buna output of the Rattwitz plant was raised during the spring of 1940 to 60,000 tons annually, rather than remaining at 30,000.² But, on the whole, it appears that the information and interpretations advanced here have stood up to scrutiny.

Indeed, some of the arguments that once seemed bold have come to constitute the baseline for current research. Only the crudest accounts by nonhistorians still describe IG Farben as a driving force behind the Nazi regime’s great crimes or the Four Year Plan as the concern’s in-


² See Bundesarchiv-Lichterfelde, R2/15308, Bl. 68-76: Römer of the Finance Ministry to Nasse and Eckell, 18.1.40, enclosing Ausbau und Finanzierung der drei Bunawerke, 8.1.40, and Bl. 82-89: Niederschrift über die Besprechung im Reichswirtschaftsministerium, 13.iii.40.
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Very few studies still posit enthusiasm for or even general acceptance of Nazi economic policy among the nation’s industrial and banking elite during the late 1930s. Most analyses of big businessmen in the Third Reich now treat them as objects as well as subjects of events, as people who could propose but seldom dispose when it came to making national policy, and as characters whose thinking needs to be analyzed and explained, rather than merely assumed and excoriated. As the “primacy of politics” has become a given in writing about even capitalism in Nazi Germany, a scholarly consensus has developed concerning the dialectical nature of the process by which this primacy interacted with the pursuit of private interests to produce the particular forms of complicity on the part of German industry in the horrors of the Third Reich. Above all, it has now become accepted through repeated demonstration that appreciating all of this hardly leads to whitewashing that complicity.

On the other hand, historical research has moved beyond the findings and framework of this book in numerous ways. Not only has the achievement of broad agreement about certain questions and answers allowed new ones to emerge, but also scholarship has benefited greatly from the ideological depolarization characteristic of international and domestic politics over the past decade. I have learned much from some products of these developments, and readers will gain by bearing their contributions in mind while considering mine. For example, although I have taken issue elsewhere with aspects of Gottfried Plume’s study of IG Farben, which appeared a few years after my book and echoed (without acknowledgment) many of my conclusions, he performed a

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1 The last proponent of this point of view appears to be Otto Köhler, the author of *Und heute die ganze Welt: Die Geschichte der IG Farben und ihrer Väter* (Hamburg: Rasch und Roheigh Verlag, 1986), and numerous articles in this vein over the past decade in the journal *konkret*.


3 The best recent work to make this point is Neil Gregor, *Daimler-Benz in the Third Reich* (New Haven: Yale University Press, 1998).
useful service by reversing one line of my analysis. Instead of concentrating primarily on IG Farben’s influence on or adaptation to Nazi policy, Plumpe explored the Third Reich’s impact on the firm’s research and development of new products and concluded that serving Hitler’s priorities exacted a high cost in inventiveness and future competitiveness.\(^6\) In this fashion, Plumpe opened the discussion of one of the still unsettled and productive questions raised by the examination of business-state relations in Nazi Germany: To what degree did they serve as basis or barrier to the postwar German economic miracle?\(^7\)

More generally, the understanding of many dimensions of the Third Reich’s history has been greatly enriched in recent years by the replacement of brittle dichotomous analytical schemes, such as the intentionalist-functionalist debate or attempts to impose Lenin’s dogmatic distinction between who and whom, with more supple approaches that emphasize the “feedback mechanisms” that gave the regime its potency.\(^8\) While I groped my way in this book and later essays toward such formulations, I did not exactly arrive at them, and they provide a new and illuminating vocabulary that would have served me in good stead.\(^9\) Similarly, no one who grapples henceforth with the role of industry in the initiation and intensification of the Nazi forced-labor system will be able to do without the terms devised by Lutz Budraß and Manfred Grieger to describe a “clandestine entrepreneurial ethic,” a “morality of efficiency,” that came to dominate in-

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\(^7\) Other important studies bearing on this issue are Simon Reich, *The Fruits of Fascism* (New York: Cornell University Press, 1990) and Raymond G. Stokes, *Opting for Oil* (New York: Cambridge University Press, 1994). Obviously, this is a question with important resonance in the context of the emerging debate over the degree to which the postwar strength of German firms rested on machinery, material, and monies accumulated during the Nazi era, not least through the use of forced labor. An initial – in my view problematic – contribution to this debate is Mark Sporer, “Profitterten Unternehmen von KZ-Arbeit?” *Historische Zeitschrift*, 268 (1999), pp. 61–95. A sounder basis for further discussion is Joachim Neander, “Wie profitabel waren KZ-Häftlinge wirklich?” forthcoming in *Betriebswirtschaftliche Forschung und Praxis*.


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dustrial decision making during the war years more than concern for profit or fear of punishment.10

Among the busiest research arenas since 1987 has been the study of the most repellent aspect of IG Farben’s history: its involvement with the Auschwitz concentration camp. If I were to rewrite this book today, certainly the chapter dealing with this topic would become longer and sharper in tone. Thanks in part to the work of Deborah Dwork and Robert Jan van Pelt, we now know much more about IG Farben’s indispensable role in providing materials for the expansion of the Auschwitz camp.11 In addition, Florian Schmaltz has begun to publish his findings concerning the related matter of Farben’s financial contributions to the construction of not only its own tortuous pen for inmates at Monowitz, but also perhaps of Birkenau.12 These revelations cast the firm’s readiness to make common cause with the SS in an even harsher light than before. Finally, Bernd Wagner’s new book on Auschwitz III/Monowitz powerfully documents the abysmal conditions there and the extent of the concern’s awareness of and responsibility for them and the mortality that resulted.13 A new chapter would say considerably more about these matters.

One important and controversial segment of my reconstruction of the history of IG-Auschwitz would be reinforced rather than revised in a new edition, however.14 My thesis that the expansion of the


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Auschwitz camp owed more to Farben’s decision to build a huge factory in the vicinity than vice versa has found a cautious reception. While most scholars now support the first part of my argument, many of them remain reluctant to concede that the availability of camp labor for the construction work played, at most, a secondary role in IG’s choice of location. To be sure, Dwork and van Pelt implicitly concur, in that they accept Otto Ambros’s postwar claim that he chose the site late in 1940 merely on the basis of studying a topographical map and recognizing a suitably broad and elevated plot of land near rail and river junctions and numerous coal mines. But they also show that the SS began planning to create a labor reserve including Polish Jews for “the Auschwitz project” a few days before, as I describe, Ambros’s appraisal of the location was confirmed (January 12, 1941), let alone before he committed himself to the site (on the 18th), a local official mentioned to one Farben representative that the Poles and Jews targeted for deportation from the town might be retained nearby as construction workers (the 25th), another regional bureaucrat told another Farben manager that obtaining inmate laborers might be “possible” and the executive concluded that “Poles and Jews . . . would have to be used” (the 31st), and Ambros finally got, first, the IG managing board’s, and then, Carl Krauch’s approval of the location on February 4–6. The inference might be drawn that the idea of the SS providing forced labor for IG’s Auschwitz plant was in the air well before Krauch’s infamous letter to Goering of February 18 requesting the allocation of inmates to the building work. Indeed, Bernd Wagner has asserted this explicitly, in that he dates Ambros’s final choice of the site to early February, rather than January 18, hence to a few days after he supposedly became assured that the removal of the local inhabitants meant the transformation of many of them into inmate laborers at IG’s disposal. Finally, Hans Deichmann, the nephew of Georg von Schnitzler, almost certainly errs in dating a lunch with him and Fritz Meer at which they allegedly discussed the availability of camp inmates as one of the reasons for the choice of the Auschwitz site to the fall of 1940, rather than to February 3, 1941 – that is, to the eve of the

17 Wagner, IG Auschwitz.
decision by Farben’s managing board. Even at that late date, however, their remarks would appear to indicate that the firm’s leaders factored this availability into their choice.\footnote{See Hans Deichmann and Peter Hayes, “Standort Auschwitz: Eine Kontroverse über die Entscheidungsgründe für den Bau des I.G. Farben-Werks in Auschwitz,” \textit{Zeitschrift für Sozialgeschichte des 20. und 21. Jahrhunderts}, 11 (1996), pp. 79–101; and Kienburg (ed.), \textit{Konzentrationslager}, note 22, pp. 136–37. For a recent attempt to defend Deichmann’s dating and establish that Farben’s interest in Auschwitz began long before December 1940, see Florian Schmalz and Karl Heinz Roth, “Neue Dokumente zur Vorgeschichte des I.G. Farben-Werks Auschwitz-Monowitz,” 1999, 13 (1998), pp. 100–16. Unfortunately, their case is built around a document that is neither new nor compelling, as they claim, but rather has been long available in the records of the Reichsamt für Wirtschaftsausbau in the Bundesarchiv and long since discounted, as it was by me when I read it in Koblenz more than twenty years ago. Dated “4 December 1939,” prepared in IG’s Profitability Examination Office at the Leuna plant, and headed “Plants added to IG’s Sphere since 1933 through construction, purchase or stockholding,” this list is a pastiche of some forty typed and handwritten entries. Those at the very end, which are typed, refer to installations in and around Auschwitz, including the Fürstengrube GmbH, of which, according to all extant documentation, IG first became aware in February 1940, first examined in July of that year, and finally bought in February 1941. Many of the preceding handwritten entries refer to plants that came into existence long before December 1939. In short, the preparer of the document was not very well informed, and the expected pattern of typed entries for information available by the date on the document and handwritten ones for newer developments, does not hold. To infer anything from so isolated and inchoate a piece of paper, let alone that it overthrows the pattern established by a host of other ones, seems to me quite unwarranted.}
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firms in the region, the projected population was to consist not of Poles or Jews, but of prisoners of war expected from the upcoming invasion of Russia. In short, it seems unlikely that IG’s decision to site a plant that soon devoured more than 700 million Reichsmarks in investments would have rested on what clearly was mere rumor or guesswork regarding sources of labor, rather than on the features that Ambros repeatedly emphasized at the time: the geographical and transportation advantages offered by the location, which alone could offset the relatively high costs of construction in the German East.

Moreover, IG’s motives are not a matter of conjecture. After the fall of the Berlin wall opened access to documents long concealed in East Germany, I found in Potsdam the record of a vigorous debate among the concern’s managers in April 1941 about whether to abandon the site because the watertable had proved much higher than anticipated, threatening to raise the building costs. Forced to defend his choice, Ambros reemphasized the considerations that had made Auschwitz seem superior to the alternatives but said nothing about the labor supply or the proximity of the concentration camp.19 His silence on this count does not reflect a desire for secrecy – in general, internal Farben documents did not shy away from mentioning the use of camp prisoners at the site – but rather the logic of the situation. Labor is a relatively mobile factor of production; favorable geographical conditions are not.

In other words, IG Farben opted for Auschwitz on grounds other than the existence of the concentration camp and before the system of “slave labor” in private enterprises had taken clear form (in truth, the inmates were leased, hence replaceable at no additional cost to the employer, and thus often treated as worth less than slaves). But that is not to say that the firm had any discernable compunction about embarking on a course of using human beings without their consent and without paying them. One may infer that by the turn of 1940/41, the concern’s managers had come to recognize that, wherever they located their plant in Upper Silesia, they would have to import labor, and they may even have taken note in this connection of the SS’s then incipient efforts in the region to put forced-labor battalions of native Jews and Poles to work on improving the area’s infrastructure. Given the pre-

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vailing steadily worsening labor shortage, had IG Farben chosen one of the other Upper Silesian sites considered in December 1940, its leaders would quickly— and unhesitatingly— have grasped at access to the SS’s captive labor force, much as Volkswagen’s managers in even faraway Wolfsburg did in March and April of 1941 and the synthetic fuel factories at less distant Heydebreck and Blechhammer did shortly thereafter, by building their own subcamp and ordering inmates. If the selection of a different location would have done little to delay the concern’s use of prisoners, however, it perhaps would have done much to alter the future of the Auschwitz concentration camp. Without a large local demand for labor, Birkenau probably would not have been built, hence would not have been converted by Himmler into a gathering place and murder installation for Jews once its anticipated population of Soviet prisoners was excluded from war production by Reich decree. In short, I remain convinced that IG Farben’s decision making regarding the labor force for its buna plant in Silesia was reprehensible enough without insisting on the relatively inconsequential claim that the camp attracted the factory. The historically significant matter is the giant firm’s role in setting off a ghastly chain reaction.

If the last fifteen years have produced arguments over and advances on my account of IG Farben’s history, the next fifteen are sure to do the same, thanks, above all, to the widening of access to German corporate archives occasioned by the arrival of a new generation in the boardrooms and the recent surge of class-action suits in American courts seeking restitution for plundered assets and labor. Indeed, this book is returning to print precisely when two of IG Farben’s successor firms, Hoechst (recently renamed Aventis) and BASF, have commissioned new studies of their factories’ roles within the giant concern. Several other enterprises linked to Farben in various ways, such as the Deutsche Bank and Degussa, also have launched intensive examinations of their histories in the Nazi era. As a result, new information regarding IG Farben already has begun to emerge. For example, documents being used by Stephan Lindner, who is preparing the study of Hoechst, indicate that both I and the Nürnberg Military Tribunal were

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fooled concerning Farben’s participation in testing medical preparations on concentration camp inmates. Far from having ceased to supply SS doctors with such products upon learning that the subjects had been purposely infected, the leading managers at Hoechst continued their cooperation into December 1944, in complete awareness not only of the compulsory nature of the subjects’ involvement but also of the terrible mortality rates in earlier rounds of testing, and hence the murderous futility of repeating them. The Deutsche Bank recently announced the rediscovery of the records of its former branch at Katowice, including documentation of the various credits it extended IG Farben to fund the construction of its installations at Auschwitz until receipts from the sale of the buna produced at other factories came in to cover the costs. No doubt the portion of the BASF history that Raymond Stokes is preparing will lead to further, perhaps equally dramatic, revelations. Conversely, the history of Degussa that I am writing will show that, contrary to the impression created at the Nürnberg trial of Farben’s directors in 1947–48, the firm to which Zyklon B belonged (Degesch) reported far more closely to that enterprise’s leaders than to the men then in the dock.\footnote{On the product and the firms associated with it, see now Jürgen Kalthoff and Martin Werner, \textit{Die Händler des Zyklon B} (Hamburg: VSA Verlag, 1998).}

In other words, this book has hardly said the last word about the history of IG Farben, let alone about business-state relations in Nazi Germany. That what it does say still seems worth hearing to many colleagues and to the editors of Cambridge University Press is, however, a source of great satisfaction to me, for I can find little reason to think that the issues this book takes up have become less important and instructive to citizens of modern societies than was the case fifteen years ago.
Illustrations

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Preface

The problem in history, someone once said, is to explain, not why bad men do evil, but why good men do. The leaders of IG Farben, Europe’s largest private corporation between 1925 and 1945, were conventionally good men. Serious, talented, and well educated, they brought the world a succession of beneficial inventions, such as sulfa drugs, magnetic tape, and a host of artificial fibers. Though steeped in the nationalism and class consciousness of the Wilhelminian Reich, they helped during the 1920s to attenuate the antagonisms between labor and management within Germany and between the country and its former enemies. Nearly all of them sensed the dangers Nazism posed and shunned the movement before 1933. While Hitler ruled, most of them futilely dissented from his worst excesses: Aryanization, autarky, aggression, and forced labor. These were not small men, failed vacuum cleaner salesmen like Adolf Eichmann, whose pathetic desire for advancement and approval from his Nazi superiors made him the eager executor of their most vicious orders and thus the personification to Hannah Arendt of “the banality of evil.”¹ Nor were they greedy, union-bashing, revanchist wire pullers who, according to vulgar Marxist caricatures, hired Hitler’s party to serve their rapacious interests.

Yet within the Third Reich, these executives presided over the firm most widely credited, then and since, with carving out a lucrative and murderous place for itself. Farben’s products became ubiquitous and essential. It made not only the synthetic rubber on which most Nazi war vehicles rode and the fuel-from-coal that powered many of them, but also the gas that murdered more than a million people at Auschwitz and even several of the drugs that Dr. Theo Morell, Hitler’s physician, pumped into the führer’s bloodstream.² By 1943, the concern’s 334 plants and mines across Germany and occupied Europe

¹ See Hannah Arendt, Eichmann in Jerusalem (New York, 1965).
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were turning out more than 3 billion marks’ worth of goods and earning net profits of more than 0.5 billion. Nearly 50% of IG’s 330,000-person work force had come to consist of conscript or slave laborers, among whom were some of the perhaps 30,000 inmates of Auschwitz who eventually died in the company’s new factory and mines near the camp.4

Even before the full extent of this record became clear, Franklin Roosevelt declared that “the history of the use of the IG Farben trust by the Nazi reads like a detective story. Defeat of the Nazi armies will have to be followed by the eradication of those weapons of economic warfare.”5 Hence, one of the first acts of the American occupation authorities in 1945 was to seize the enterprise as punishment for “knowingly and prominently . . . building up and maintaining German war potential.”6 Two years later, twenty-three of the firm’s principal officers went on trial at Nürnberg for crimes against peace, humanity, and property rights. Though the tribunal of three American judges acquitted all the defendants of having conspired to prepare and launch a war, thirteen of the businessmen were sentenced to prison on one charge or another. By the time John McCloy, the American high commissioner, pardoned the last of them in 1951, IG Farben scarcely existed. Its holdings in the German Democratic Republic had been nationalized; those in the Federal Republic had been divided into six, later chiefly three, separate corporations: BASF, Bayer, and Hoechst.

How and why IG traveled this path are the subjects of this book. I am, of course, not the first person to take them up. The relationship between private capitalism and the Nazi regime has intrigued authors almost since its inception.7 In nearly all treatments of that topic,

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3 For the number of plants, see NI-8315/68, Affidavit by E. Struss, 29.V.47; for the financial data, see NI-10002-03/82, Affidavits by H. Deichfischer, 11.VI.47. Throughout this volume, the term “billion” denotes a thousand million (American usage).

4 On total employment, see Hermann Gross, Further Facts and Figures Relating to the Deconcentration of the IG Farbenindustrie Aktiengesellschaft (Kiel, 1950), p. 35, Table Vla. On the death toll at Auschwitz, see Chapter 8.


Preface

Farben has figured prominently – as the guiding hand, opportunist partner, or pliant tool of Nazi policy. But the existing literature has notable defects. Much of the critical writing on Farben adopts the dramatic tone of President Roosevelt’s letter in 1944. Whether produced by trust-busting Americans in the aftermath of the war or by Marxist commentators of various shades since, these works echo the two best-known early exposés, Victor Lefebure’s *The Riddle of the Rhine* (New York, 1923), which called the emergent German dye trust “a monster camouflaged floating mine in the troubled sea of world peace,” and Helmut Wickel’s *I.-G. Deutschland* (Berlin, 1932), wherein the concern became “the secret government of the German Republic.” As recently as 1978, Joseph Borkin, a former prosecutor at Nürnberg, revived these charges, minus a few of their least convincing features, in *The Crime and Punishment of I.G. Farben.*

8 From vet-
ers or admirers of the firm have come equally unbalanced accounts, which ask their readers to believe that any connection between Farben's actions and those of the Nazi state was purely coincidental or coerced. 9

On the basis of extensive records that earlier authors have underexploited or not seen, I have tried here to improve on these overdrawn versions of the past. Some of my sources, notably the testimony and documents assembled for the Nürnberg tribunal, have long been in the public domain and accessible to American scholars in the form of microfilm reels obtainable from the National Archives. But their daunting scope, amounting to 6,384 exhibits placed in evidence, thousands of documents not presented to the court, and more than 16,000 pages of trial transcript, has contributed to their highly selective use by previous students of IG Farben. Moreover, the stakes and the highly charged nature of the proceedings in 1947–8, along with the considerable opportunities provided for collusion among the witnesses, make the testimony and affidavits submitted subject to even more than the usual reservations about the trustworthiness of oral history. That these pieces of evidence were often self-serving does not mean that all parts of them were false, however. Fortunately, the extent of the records that survived the Third Reich permits checking the contentions in most affidavits against contemporary documentation – not only that collected for the trial, but also that preserved in the archives of the German Federal Republic and many private German firms. These

9 The principal defenses of the concern are those of Hans-Joachim Flechtner, Carl Duisberg – vom Chemiker zum Wirtschaftsführer (Düsseldorf, 1959); Hermann Gross, Material zur Aufteilung der I. G. Farbenindustrie Aktiengesellschaft (Kiel, 1950) and two Nachträge to this brochure (Kiel, 1950); Karl Holdermann, Im Banne der Chemie. Carl Bosch, Leben und Werke (Düsseldorf, 1953); Fritz ter Meer, Die I. G. Farben Industrie Aktiengesellschaft (Düsseldorf, 1953); Werner Reichelt, Das Erbe der I. G. Farben (Düsseldorf, 1956); and the memoirs of Curt Duisberg, Nur ein Sohn (Stuttgart, 1981) and Heinrich Gattineau, Durch die Klippen des 20. Jahrhunderts (Stuttgart, 1983).
corporate holdings constitute the second principal, and often new, group of sources for this book. With the aid of these materials, I have cross-examined the evidence, both written and oral, more thoroughly than could the hard-pressed lawyers for each side at Nürnberg, who worked under constraints of time, resources, and the state of communications and transportation in postwar Germany. Where I have had nonetheless to rely on uncorroborated accounts provided on the stand or in affidavits, I have done so when (1) merely conveying what Farben’s leaders claimed after the Third Reich to have thought, heard, and felt during it, or (2) the information cited seems believable by virtue of having satisfied at least one of three tests: (a) Several other specific facts or assertions in the same source have proved accurate when checked against more reliable sources (the test of general veracity); (b) the information cited is incidental to the main thrust of the document in question, hence not likely to have been bent to serve a purpose (the test of probability); and (c) the data derived from the account in question, though not confirmed elsewhere, fit the pattern of evidence on the subject at hand established by other documents (the test of compatibility). As a result of this method, applied in a spirit of skepticism toward the testimony, I have left out much that both friends and foes of IG Farben have long maintained but have also clarified many matters that had stood in darkness or dispute.

My work differs from its predecessors in its tone as well as in the strength and breadth of its underpinnings. Every historian must both enter into the subject at hand and stand back from it, attempting, in a sense, the impossible task of being in two places at one time. For this book, that attempt has entailed efforts both to reimagine the situation and reasoning of Farben’s leaders from 1925 to 1945 and to analyze at some remove what their deeds really signified. In so doing, I have been guided, as on many specific points, by an observation of Tim Mason, namely, that “if historians do have a public responsibility, if hating is part of their method and warning part of their task, it is necessary that they should hate precisely.” ¹⁰ At the same time, I have also borne in mind Franklin Ford’s admonition that “standing aghast is an unrewarding posture for anyone trying to pay close attention to the thread

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of history." The studied neutrality of my account reflects my desire not to reindict or to exonerate the leaders of IG Farben, but to highlight the mainsprings of their actions. Those mainsprings are with us still. The amoral pragmatism and professionalism that propelled Farben’s executives dwell within all large-scale organizations, whether they be corporate or political, whether they seek to maximize power or profits, whether they claim to serve the individual, a class, or a race. These drives make Farben an instructive case study in the plasticity of private interests and the consequences of permitting any single-minded doctrine to grasp the levers of a state. Lest that point be lost and readers distance themselves too far and easily from Farben’s behavior, I have emphasized here the specious rationality of the concern’s deeds and largely let the self-evident wickedness of some of them speak for itself.

Timeless or timely as IG’s experience may be, however, this is a work of history. I hope here to better our understanding of the political economy of Nazism, and to do so precisely by moving discussion of this topic out of the realm of abstractions. One of the most curious lacunae in the vast body of modern writing about Hitler’s Reich is the absence to date of any full-dress, scholarly studies of the interaction between a single major corporation and that regime. Instead, readers have encountered a stream of popular and frequently unreliable surveys of particular firms, sanitized or commissioned business histories, exculpatory memoirs and testimonial biographies of individual executives, and orthodox Marxist or neo-Marxist studies dedicated to unmasking the responsibility, either direct or “objective,” of German industry for the crimes of the Nazi state. Not until 1981 did a German academician publish a disinterested and well-researched examination of even a leading armaments firm, and that turned out to be an attempt, however valuable, to write “social history from below.” In consequence, a penchant for schematic formulations of business’s rela-

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Fusions with the Third Reich has long since outrun our empirical knowledge. It has proved tempting for people to write of “bilateral power structures,” “industrial factionalism,” “monopoly groups,” “corporatism,” “organized capitalism,” the “dual state,” “partial fascism,” “state monopoly capitalism,” and the like because such constructs seem to order the mass of the past without requiring one to navigate the morass of the archives. But conceptualization of this sort distorts and disembodies what occurred in Germany, and it is premature. The need for historians to get down to cases has become inescapable.

Of course, my account seeks to contribute more than just greater specificity to our knowledge of the Third Reich. A close examination of IG Farben yields, I believe, results that undermine much of the previous writing on business in Nazi Germany catalogued in the footnotes to this preface. The enterprise’s fate indicates that the survival of private property under Nazism did not equal the survival of private political power. Of the concern’s leaders, one may fairly say what a fellow historian has of their counterparts in another time and place: “As shrewdly as some of them pursued the main chance, they were also trapped by the present, scurrying where they appeared to stalk.”

What made them behave so were the two facets of Nazism that always seemed most menacing to them: not only its obvious “promiscuity of aggressive intentions,” but also its equally characteristic libertinism as to means. Hitler threatened the fundamental assumptions of the strategy of capitalist reproduction that Farben’s leaders had derived from decades of experience in a highly changeable industry: that economic success required political peace, both foreign and domestic, and predominance at the cutting edge of technological development. To preserve both, the concern first opposed the Nazi fuhrer, then let itself be drawn into uneasy and uneven cooperation with him between 1933 and 1939, then began to share in his crimes once his victories and defeats undid the world in which their assumptions had taken shape. The story presented here is thus one of the manipulation and partial remaking of an industrial mentality by an ideological one. The argument suggests that German businessmen were “coordinated” like other social groups in the Third Reich, but also that they were defeated by their own desires.

14 The phrase is from Mason in Hirschfeld and Kettenacker (eds.), *Der Fuhrerstaat*, pp. 33–4.
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Such an analysis stresses interests as the basis of corporate action. Noting this, one advance reader of this book complained that it deals too much with businessmen’s interests and not enough with their ideology (as distinct from that of the Nazi Party, to which my title refers and on which I say a good deal). I should state at the outset that my emphasis is intentional. In the early stages of Nazi rule, some executives were disposed to cooperate with the regime because it shared a number of their assumptions about the value of individual initiative, the inevitability of inequality, the proper place of the working class, and the inefficiency of democratic decision making. As my analysis makes clear, however, accumulating evidence indicates that these perceived affinities rapidly moved from disarming big businessmen to consoling them, since the differences between corporate and Party world views, always great with regard to entrepreneurial freedom of action and the sovereignty of the market, grew steadily wider. In short, the ideological bonds between most corporate managers and Nazism were never strong enough to close the ideological gap between them, and the bonds became weaker with time.15 Interests, given this context, counted for more in business—state relations than partial philosophical compatibilities; hence, interests predominate in my narrative.16

Finally, let me summarize the limitations and assumptions of this book, insofar as I am conscious of them. This is an examination of IG Farben’s role in and relations with the Nazi regime, not a comprehensive study of the concern analogous to W. J. Reader’s admirable volumes on the Imperial Chemical Industries.17 Labor relations, managerial styles, and the internal operations of IG’s many factories, for example, are among several subjects not treated in depth here, and much work remains to be done on them. Nor have I undertaken to compare more than intermittently Farben’s behavior with that of other large German firms. An integrated history of industry in the

15 See in this connection the findings of Gillingham, Industry and Politics, chaps. 2–3.
16 I do not mean here to denigrate the importance of examining businessmen’s general world view or ideology. But I believe that historians’ knowledge of it during this and later eras is less sure and extensive than we often think, which is why its development in the twentieth century is the subject of my current research. For now, see Volker Berghahn’s excellent The Americanization of West German Industry, 1945–1973 (New York, 1986), pp. 13–39.
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Third Reich also remains to be written, and other books like this one will have to appear before it can be.

As for my a priori judgments, from which no historian, however dedicated an empiricist, is entirely free, they rest on the conviction that the organizing framework for good and evil in the modern age is not capitalism or socialism, but industrialization and its corollaries of bureaucratism and professionalism.¹⁸ These phenomena have placed similar demands on and posed similar moral challenges to people in very different systems of accumulating and applying knowledge and wealth. None of these systems has refrained from making inroads on human rights in the name of productivity and self-perpetuation.¹⁹ As Aristotle’s Politics demonstrated long ago, every political, economic, and social pattern can degenerate into its own form of perversion. Human ambition, avarice, apprehension, and alienation regularly see to that. They did so in the Germany of the 1930s. There and then, acute pressures permitted a pathological leader to alter the nature and forms of the economic and social system within which he ostensibly operated. That system and its national context provided the devices and idioms of the dictator’s domination and the populace’s acquiescence. This is the dialectic of history that I have seen at work in the events depicted in this book. It structures my attempt to show how the interaction of Hitler’s will, the pressures of competition, the heritage of a single industry, the logic of professionalism, and the frailties of ordinary people produced the behavior of a particular enterprise in Nazi Germany.

“If there is any lesson to be learned,” Willy Brandt has written of the Nazi years, “it is that decent men and women learn to make choices in favor of the good, and to do this before criminal power is established and gets stabilized.”²⁰ Of course, Brandt is right, though choosing is not enough; action is also necessary and success not guaranteed. But heeding even Brandt’s call has proved difficult in our age of highly professionalized industrial structures. This book documents how and why this is so and to what it can lead.

¹⁸ On the implications of this distinction, see John P. Scott, Corporations, Classes and Capitalism (New York, 1980), pp. 15–29, 134.


²⁰ Foreword to Frances Henry, Victims and Neighbors (South Hadley, Mass., 1984), p. viii.
Acknowledgments

Books get finished, I am told, when authors tire of their subjects. Perhaps I have been slow to weary of IG Farben because so many people have made studying it an enriching experience. Henry Turner, who advised the dissertation from which this book emerged, shared with me his vast knowledge of modern German history and provided a model of scrupulous scholarship. Among his colleagues at Yale, Hans Gatzke, William Parker, and David Large read and remarked most helpfully on all or part of the manuscript, and Peter Gay and Donald Kagan heard me out and stimulated my thinking on countless occasions. Both in graduate school and since, my friend Robert Luchs sharpened my ideas, often by freely offering his own. Since moving to Northwestern, I have had the benefit of incisive commentaries on my work by T. H. Breen, Karen Hasttunen, T. W. Heyck, David Joravsky, Robert Lerner, Sarah Maza, Michael Sherry, Lacey Baldwin Smith, and Robert Wiebe. Several expert readers went over my manuscript before publication. One of them, Gerald Feldman, I may thank by name; to the others, I am no less grateful. In addition, specific passages have benefited from the assistance of Larry Jones, William Patch, and Neal Pease. All of these people deserve a share of the credit for such merits as this book may contain but no blame for any errors of fact or interpretation that remain.

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Acknowledgments

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There are, of course, more personal debts to acknowledge. Mr. and Mrs. John E. Drick extended material support at several stages; I wish he had lived to see the result. Through much of the research and writing, Holly Hayes also lent both aid and comfort. At a critical juncture, my sister Pamela Ewing made the completion of the work possible. So, in a different way, did Steven Kaplan and Harry and Judy Warren, who sustained me during dark days. Two German families also deserve an expression of my affection and appreciation. The Kleemans of Düsseldorf kindled my interest in their country and language years ago and have fueled it regularly since; the Broils of Cologne offered friendship and practical help in 1977–8, as this project was beginning.

Finally, I note with pleasure the contributions of Joan Stahl, who typed both the dissertation and the final manuscript; of Frank Smith, Janis Bolster, and Mary Nevader of Cambridge University Press; and of Kazlina J. Sugiyama, who drew the Appendixes.
# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AA</td>
<td>Working Committee (Arbeitsausschuss)</td>
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<tr>
<td>A/S</td>
<td>Archiv für Sozialgeschichte</td>
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<tr>
<td>AHR</td>
<td>American Historical Review</td>
</tr>
<tr>
<td>AO</td>
<td>Auslandsorganisation (Foreign Organization of the Nazi Party)</td>
</tr>
<tr>
<td>BA</td>
<td>Bundesarchiv</td>
</tr>
<tr>
<td>BASF</td>
<td>Badische Anilin- und Soda-Fabrik</td>
</tr>
<tr>
<td>BDC</td>
<td>Berlin Document Center</td>
</tr>
<tr>
<td>BHR</td>
<td>Business History Review</td>
</tr>
<tr>
<td>CEH</td>
<td>Central European History</td>
</tr>
<tr>
<td>DAF</td>
<td>German Labor Front</td>
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<tr>
<td>EHR</td>
<td>Economic History Review</td>
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<tr>
<td>G&amp;G</td>
<td>Geschichte und Gesellschaft</td>
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<td>GHH</td>
<td>Gutehoffnungshütte</td>
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<tr>
<td>GWU</td>
<td>Geschichte in Wissenschaft und Unterricht</td>
</tr>
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<td>HGW</td>
<td>Hermann Göring Werke</td>
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<tr>
<td>IG in Abw.</td>
<td>IG Farbenindustrie AG in Abwicklung (in Dissolution)</td>
</tr>
<tr>
<td>IMT</td>
<td>International Military Tribunal (Nürnberg)</td>
</tr>
<tr>
<td>JCH</td>
<td>Journal of Contemporary History</td>
</tr>
<tr>
<td>JEH</td>
<td>Journal of Economic History</td>
</tr>
<tr>
<td>JF/G</td>
<td>Jahrbuch für Geschichte</td>
</tr>
<tr>
<td>JfW</td>
<td>Jahrbuch für Wirtschaftsgeschichte</td>
</tr>
<tr>
<td>JMH</td>
<td>Journal of Modern History</td>
</tr>
<tr>
<td>JNS</td>
<td>Jahrbücher für Nationalökonomie und Statistik</td>
</tr>
<tr>
<td>KA</td>
<td>Commercial Committee (Kaufmännischer Ausschuss)</td>
</tr>
<tr>
<td>MM</td>
<td>Militärgeschichtliche Mitteilungen</td>
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<tr>
<td>MWT</td>
<td>Mitteleuropäischer Wirtschaftstag</td>
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<tr>
<td>NI</td>
<td>Nürnberg Industrialists Document</td>
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<td>NL</td>
<td>Nachlass</td>
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<td>NMT</td>
<td>Nürnberg Military Tribunal</td>
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</table>

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Abbreviations

NSBO  Nazi Factory Cells Organization
P&P  Past & Present
PSQ  Political Science Quarterly
QJE  Quarterly Journal of Economics
RDI  Reichsverband der deutschen Industrie
RGBl.  Reichsgesetzblatt
RGI  Reichsgruppe Industrie
RLM  Reich Air Ministry (Luftfahrtministerium)
RVB  Rheinische Vierteljahrsblätter
RWM  German Economics Ministry
       (Wirtschaftsministerium)
SAA  Siemens Archiv
SOA  Southeast Europe Committee (Südost-Ausschuss)
TEA  Technical Committee (Technischer Ausschuss)
VfZ  Vierteljahrshefte für Zeitgeschichte
Vowi  Volkswirtschaftliche Abteilung
Wigru Chemie  Economic Group for Chemicals
Wipo  Wirtschaftspolitische Abteilung
ZA  Central Committee (Zentralausschuss)
Zefi  Central Finance Section
ZfG  Zeitschrift für Geschichte
ZfN  Zeitschrift für Nationalökonomie