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***How Complicit were German and Austrian
Banks in the Holocaust?***

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Ladies and Gentlemen: I am greatly honored to be selected to give this seventh Holocaust Memorial Lecture, and I would like to thank the Principal, Professor Stokes, and their colleagues for their kind invitation. I will strive to meet the standards set by my distinguished predecessors and satisfy the expectations connected with being asked to speak on this difficult subject. It is always with a certain sense of bewilderment that I find myself being called upon to play the role of a historian of the Holocaust. While I have taught German history at Berkeley since 1963 and have thus dealt with the Holocaust throughout my career, I never did any research on the post-1933 period until a decade ago, when I undertook my study of the Allianz Insurance Company in the National Socialist period. Since that time, the Holocaust and the issues surrounding it have become the preoccupation of my professional life, an odd situation for an historian whose research has concentrated on political economy and business history. I have always felt that the true Holocaust historians are such scholars as Raul Hilberg, Lucy Dawidowicz, Christopher Browning, and Saul Friedländer, whose works are directly engaged with the genocidal murder and organized extermination which lie at the center of the Holocaust. Nevertheless, these historians have encouraged scholars to think about the Holocaust in broader terms, Hilberg, for example, placing great stress on the role of expropriation in the genocidal process.¹ Furthermore, as research has advanced, so has the interest of historians in complicity in and knowledge about the Holocaust on the part of those not directly engaged in the murder of the Jews. What we have learned is very unpleasant. The "success" of the Holocaust depended on networks of persons and institutions, often including non-Germans in the occupied countries and in neutral states, which collaborated in and profited from measures connected with the genocide and often did so with a substantial amount of knowledge that European Jewry was being liquidated.² Recent studies have shown that the German people had far more knowledge of what was going on than had previously been imagined, let alone claimed, and that the expropriation, deportation, and extermination of the Jews actually met with frightening levels of approval and even active complicity.³ Thus, the historiography is taking new turns because new knowledge is influencing the ways in which we study this subject.

It is in this spirit that I present this lecture on the complicity of German and Austrian banks in the Holocaust. On the one hand, historians have in recent years produced a massive amount of new work on German and Austrian banks in the National Socialist period. There have been a variety of studies of the Deutsche Bank and Commerzbank, along with four volumes on the Dresdner Bank, and two volumes on the Austrian banks.⁴ On the other hand, banks, while not wildly popular among the broad public

¹ Raul Hilberg, *The Destruction of the European Jews*, 3rd edition (New Haven, 2003), 3 vols., Vol. I, Ch. 5.

² Gerald D. Feldman and Wolfgang Seibel, eds, *Networks of Nazi Persecution. Bureaucracy, Business and the Organization of the Holocaust* (New York and Oxford, 2005).

³ Peter Longerich, "Davon haben wir nichts gewusst!" *die Deutschen und die Judenverfolgung 1933-1945* (Munich, 2006) and Frank Bajohr and Dieter Pohl, *Der Holocaust als offenes Geheimnis. Die Deutschen, die NS-Führung und die Alliierten* (Munich, 2006).

⁴ Lothar Gall, Gerald D. Feldman, Harold James, Carl-Ludwig Holtfrerich, Hans E. Büschgen, *A History of the Deutsche Bank, 1870-1995* (London, 1995); Harold James, *The Nazi Dictatorship and the Deutsche Bank* (Cambridge, 2004); Harold James, *The Deutsche Bank and the Nazi Economic War*

anywhere and often having had to bear the brunt of anti-Semitic prejudice, do not readily come to mind in connection with slave labor or mass murder. Indeed, despite suspicions that they produce nothing but high interest rates, they have enjoyed a certain elite status in the business community as repositories of trust and confidence. In short, there are no natural and easy linkages between German and Austrian banks and genocide.

In fact, there is historical evidence that German and Austrian banks and bankers could be keenly aware of their moral and fiduciary responsibilities toward their employees and clients and not only protest but even actively resist political pressures to become complicit in genocide as well as violate what they understood to be the norms of their business. Thus, in the summer of 1915, the Deutsche Bank, the Deutsche Orientbank, which had been founded by a German bank consortium headed by the Dresdner Bank, and the Wiener Bankverein, refused Ottoman demands for the identification and dismissal of their Armenian employees in Constantinople and at their various branches, insisting that these employees were loyal citizens of the Ottoman State and indispensable for the operation of the banks. While meeting with little sympathy from the Turks, they did gain the support of the German Counsel of Legation in Constantinople, Konstantin von Neurath, who was later to serve as German Foreign Minister between 1932 and 1938 and Reich Protector of Bohemia and Moravia between 1939 and 1941, when he was replaced by Reinhard Heydrich.⁵ These banks saved the lives of many of their Armenian employees, and a particularly heroic role was played by Director Franz Günther of the Baghdad Railway, who was delegated by the Deutsche Bank to oversee the railway and who, along with some of the engineers under his charge, not only sabotaged Turkish extermination efforts and rescued Armenian railway workers, employees, and others but also reported the genocide in grim detail to the German authorities in Constantinople and Berlin. Günther went so far as to threaten not to transport supplies to the Turkish troops if the Turks threatened his employees and workers. Günther enjoyed the support of Arthur von Gwinner, of the Deutsche Bank, which financed the railway, and they secretly provided money to help the Armenians. In the process, they struggled not only against the murderous Turkish officials in charge but also against German military and diplomatic officials who either supported their Ottoman ally and became perpetrators themselves or were indifferent to the miserable fate of the Armenians.⁶

Against the Jews. The Expropriation of Jewish Property (Cambridge, 2001); Jonathan Steinberg, *The Deutsche Bank and its Gold Transactions during the Second World War* (Munich, 1999); Johannes Bähr, *Der Goldhandel der Dresdner Bank im Zweiten Weltkrieg* (Leipzig, 1999); Klaus-Dietmar Henke, ed., *Die Dresdner Bank im Dritten Reich*, 4 vols. (Munich, 2006); Ludolf Herbst and Thomas Weihe, eds., *Die Commerzbank und die Juden 1933-1945* (Munich, 2004); Gerald D. Feldman, Oliver Rathkolb, Theodor Venus, Ulrike Zimmerl, *Österreichische Banken und Sparkassen im Nationalsozialismus und der Nachkriegszeit*, 2 vols. (Munich, 2006).

⁵ Hilmar Kaiser, "Die deutsche Diplomatie und der armenische Völkermord," in Fikret Adanir and Bernd Bonwetsch, eds., *Ostmanismus, Nationalismus unter der Kaukasus. Muslime und Christen, Türken und Armenier im 19. und 20. Jahrhundert* (Wiesbaden, 2005), pp. 203-236, esp., pp. 219-220.

⁶ Hilmar Kaiser, "The Baghdad Railway and the Armenian Genocide, 1915-1916," in Richard G. Hovannisian, ed., *Remembrance and Denial. The Case of the Armenian Genocide* (Detroit, 1999), pp. 67-112. See also, Gerald D. Feldman, "The Deutsche Bank from World War to World Economic Crisis," in Gall, ed. *Deutsche Bank*, pp. 141-143.

The banks and the railroad were, of course, in business, and as rational businessmen they considered the slaughter of the Armenians, who were commercially talented and of vital importance to the Ottoman economy, nothing short of insane. They did business with numerous enterprises run by Armenians, which were either indebted to the banks for credits they had received or were creditors or debtors of clients of the banks. From this perspective, the genocide was also an assault on a well-developed financial and commercial nexus which was part and parcel of the German effort to develop and expand its interests in the Near East. This meant that German business interests were directly threatened both by the closing down of Armenian enterprises and the deportation and murder of their personnel as well as by the economic and financial ruin of Armenian-owned enterprises and the expropriation of Armenian assets. Armenian goods and property were often sold or auctioned off well below worth as part of the Turkish policy aimed at changing the ethnic character of former Armenian areas by their internal colonization with Muslim settlers and the establishment of Muslim-owned enterprises with former Armenian assets.

In May 1915 the Deutsche Orientbank had gone so far as to ask the German Consul in Adana to “put a stop to the deportation of the Armenians” and point out that the “barbaric methods” employed were damaging to German and bank interests. This call for intervention was refused by the German Embassy, and it was thus clear that bank protests on humanitarian grounds would be of no avail.⁷ In August, it then asked the German diplomats to warn the Turks that they would be held responsible for material damage to German interests through what they denounced as the “illegal” seizure and sale of Armenian property without giving creditors the opportunity to collect their debts as required by law and that this violation of legal requirements “has the consequence of ruining the deported persons and their creditors.”⁸ The Turks were apparently alarmed enough by these protests and threats of legal action from German bankers and other businessmen, which were conveyed by the German Foreign Office, that they issued a complicated law in September 1915 legalizing the expropriation of deportee assets and allegedly providing for commissions and other mechanisms for the payment of debts and obligations to deportee creditors. German business circles in the Ottoman Empire were anything but impressed, characterizing the law as the “legalization of theft.”⁹ Deutsche Bank director Arthur Gwinner, when transmitting the text of the law to the German Foreign Office, sarcastically suggested that the eleven articles of the law could easily be reduced to two, one providing for the confiscation of the assets of the

⁷ Consul Büge in Adana to German Embassy in Constantinople, May 18, 1915 and response by Ambassador Hans von Wangenheim, May 21, 1915, in Wolfgang and Sigrid Gust, eds., A Documentation of the Armenian Genocide in World War I, www.armenocide.net, Document 1915-05-18-DE-011.

⁸ See the petition by the Deutsche Orientbank to Ambassador Prince von Hohenlohe-Langenberg, Aug. 13, 1915, Vardges Mikaelyan, ed., *The Armenian Question and the Armenian Genocide in Turkey (1913-1919). Documents of Political Archives of Ministry of Foreign Affairs of Germany* (Yerevan, 2004), pp. 196-197.

⁹ Kaiser in *Osmanismus*, p. 230.

Armenians, the other announcing that the Ottoman government would collect the claims involved and "reimburse (or not reimburse) their debts."¹⁰

I would contend that the Armenian genocide and the behavior of the German banks and many German enterprises in the Ottoman Empire provides a useful perspective when considering the attitudes and actions of the German banks when confronted by the National Socialist policies directed against the Jews of Germany and Europe between 1933 and 1945. There are of course important differences between the two genocides. While the Turks were certainly driven by goals of creating ethnic and religious homogeneity, they did not entertain the kind of abstruse racial notions that drove the National Socialist project forward and were prepared, for example, to allow or even force Armenian women to convert and enter Muslim households. They did not have a systematic policy of extermination even if the deportation and forced emigration into inhospitable regions under unspeakable conditions was tantamount to a program of murdering the Armenians. Yet there are some striking similarities as well. One of these is that the Turks and National Socialists displayed a remarkable indifference to the expulsion of peoples whose skills and education made them important and often irreplaceable human capital. Furthermore, the Armenian genocide makes it clear that the National Socialists were not the first to carry out efforts to expropriate those who had been designated as ethnically undesirable and to pursue a policy of ethnic resettlement on the territories of their victims financed and economically supported by the assets of those who had been deported. In contrast to German banks and enterprises after 1933, however, those same institutions declined to become instruments of Ottoman persecution. They not only refused to fire their Armenian employees but actually protected them in important instances and, insofar as was possible, challenged the Ottoman authorities and criticized German officers and officials who supported or were indifferent to the genocide. Furthermore, they defended the property rights of the victims, and while this was to be sure in their own interest as well, they called robbery by its name and displayed disgust at sham Ottoman efforts to place their deprecations on a legal footing. Their behavior was very different between 1933 and 1945, as I shall show, and one must ask what had happened to the standards of probity and decency they appear to have upheld in 1915-1916.

The most obvious answer was that the National Socialist regime was their government, which the Ottoman Government had not been, and that detachment and/or outright opposition were not options easily open to them in the Nazi period. Indeed, even in 1915-1916 their opposition to the deportations, the persecution, and maltreatment of the Armenians had very limited effect and was regarded as an illicit interference in internal Ottoman affairs. It was only when their protests shifted to legal, financial, and economic consequences of the genocide and especially to the damage being done to German interests that they managed to gain a hearing from the German political authorities and some token recognition of their claims from the Ottoman authorities.

¹⁰ Gwinner to the Foreign Office, Oct. 7, 1915, Gust, *Documentation of the Armenian Genocide, Document 1915-10-07-DE-002*. See also Hilmar Kaiser, "Armenian Property, Ottoman Law and Nationality Policies during the Armenian Genocide," in Alaf Farschid, Manfred Kropp, and Stephan Dähne, eds., *The First World War as Remembered in the Countries of the Eastern Mediterranean. Beirut Texts and Studies, Bd. 99* (Beirut, 2006), pp. 49-71.

That is, their fall back position was economic interest and legal procedure, and this obviously carried much less moral freight than outright opposition to the genocide. As the Deutsche Orientbank put the matter, "we are to be sure not entitled to examine the relevant orders of the Ottoman Government or to subject them to criticism. But since a portion of the deported Armenians are debtors of our bank or the debtors of their debtors, our interests are gravely injured through these illegal actions."¹¹ Manifestly, the low road seemed more promising than the high road at this point.

The situation of the banks had also changed by 1933. By the time the National Socialists had come to power, the financial strength and moral status of the great banks had been undermined by the loss of the war, their dependence on foreign capital, the banking crisis of 1931, and a host of business scandals that led to calls for government intervention and radical reform of the banking system. When Austria was taken over in 1938, its leading bank, the Creditanstalt-Wiener Bankverein, had also undergone turbulent crises that left the bank under government control. The great universal banks of Central Europe were not the institutions they had been in 1915, and they had limited capacity to resist the demands of the Nazi dictatorship. At the same time, however, radical National Socialist fantasies about getting rid of the big universal banks or breaking them up and changing the banking system to favor regional banks and savings banks failed to be realized. Even if their foreign business had been reduced and their credit-granting capacities legally curtailed by a new Banking Law of 1934, the great universal banks remained indispensable to the economy as repositories of assets, and as experienced intermediaries in commercial and industrial business. For a long time it was mistakenly thought that the National Socialist economy was rigidly controlled and anti-capitalist in its practices, but recent research has shown this to be very exaggerated when not completely false. The government encouraged the reprivatization of the big banks as they recovered from the Depression, finding it far more convenient and much safer to leave the management of the banks to bankers and rely on its regulatory powers to control them. Even more importantly, as Christoph Buchheim has argued in a seminal essay, while the regime encouraged the private sector to satisfy government policies and wishes with a variety of incentives and sanctions, it did allow for a considerable amount of independent decision making and freedom of maneuver, so that enterprises could make rational and profitable economic choices within the context provided by the regime. It is this fact that makes it possible to speak of business complicity in the criminality of the National Socialists.¹² The principle, to use that term very broadly and loosely, on which the bankers operated was put very succinctly by Hermann Josef Abs of the Deutsche Bank in 1942, "we will always do that which is politically determined and economically wise."¹³

How this worked became very evident from the outset in the treatment of Jewish officers and employees of the banks. It is important to recognize that very few of those men leading the great banks were either Nazis or anti-Semites, and while the National

¹¹ Deutsche Orientbank petition of Aug. 13, 1915, in Mikaelyan, *Armenian Question*, p. 196.

¹² Christoph Buchheim, "Unternehmen in Deutschland und NS-Regime 1933-1945," *Historische Zeitschrift* 282 (2006), pp. 351-390.

¹³ Memorandum of April 11, 1942, Historisches Archiv der Deutschen Bank, B 0053.

Socialist success at the polls in March 1933 led many Jews to retire or resign, the impetus for the dismissal of Jews was either a product of legislation or of pressure from the National Socialist organizations within the banks or from local Party organizations, that is, from below. In the case of the Dresdner Bank, many of the firings took place under the Law for the Restoration of the Professional Civil Service, which was applicable because of the government's majority control of the shares of the bank. The Deutsche Bank was more exposed to pressures from its employees and Party branches, as appears also to have been the case with the Commerzbank. What is significant, however, is that none of managing boards of these banks demonstrated solidarity with their Jewish colleagues who either retired or were pressured to leave and that the boards of the three banks colluded after the promulgation of the Nuremberg racial laws of 1935 to let their remaining Jewish employees go and also to pay reduced settlements and pensions.

One does not know, of course, what individual non-Jewish bankers thought of these measures, and while some of those who replaced their Jewish colleagues or rose in the ranks thanks to the disappearance of Jews who were next-in-line for promotion were obvious beneficiaries of the purge, this does not mean that there were not those who felt guilt and shame. A fundamental dilemma for those trying to retain Jewish branch officers and employees, however, was that the only arguments that could work were those that reinforced stereotypes and were narrowly opportunistic. It was argued, for example, that Jewish employees were needed to serve Jewish customers and keep them from taking their business elsewhere. This was true at the Mainz branch of the Commerzbank, for example, where the retention of Jewish bank officers and employees seemed especially necessary because of the large Jewish clientele and was defended on those grounds. In Munich, the "Capital of the Movement," by contrast, Jews were most undesirable at the bank branch which was conducting an energetic quest for the accounts of Party agencies and Party members. As Jews emigrated or became impoverished and the number of Jewish accounts declined, however, the strategy of holding on to Jewish employees was no longer as compelling as the strategy of targeting the potential "Aryan" clientele that might do business with the bank if one did not have to deal with Jewish employees. Little wonder, therefore, that all the Jewish employees of the Great Banks had disappeared by 1938. The retention of Jewish employees had been reduced to a business decision, and by 1937-1938 it had become a business decision that no longer paid off. In contrast to the Armenian employees of the German banks, the identification and dismissal of Jewish employees did not appear, at least at the time, to be a life or death matter, and the discriminatory policies were conducted by the German state with strong popular support.

Yet another accomplishment of the National Socialist regime, and this in sharp contrast to the Turks, was to conduct the expropriation of Jewish assets and businesses in a way that superficially protected property rights. The "Aryanization" of Jewish assets was transformed into a major business, and it was one in which the great banks were heavily engaged. As it became increasingly impossible for Jews to conduct their businesses because of denials of public and private contracts, inability to obtain raw materials, harassment from Nazi Party agencies and S.A. thugs, they succumbed to these pressures

and liquidated or sold their businesses with the object of emigrating. This, of course, was precisely what the regime wanted, but until the late 1930s most of this "Aryanization" was conducted on a private contractual "voluntary" basis, and there were even instances, especially before 1936, in which a fair price was paid. Handling these sales was a challenging business for the banks. First, many of the Jewish enterprises were customers of the banks and this gave the banks a considerable interest in maintaining their liquidity so that they could pay their debts both to the banks and to other creditors. Second, insofar as the banks acted as intermediaries in the sale of Jewish businesses, they were obviously anxious to profit from the provisions and commissions involved, and the better the price and the more solid the enterprise, the higher these would be. Finally, and of exceptional importance in all "Aryanization" questions, the banks were anxious to acquire the new owners as customers. All this could lead to some very bizarre consequences, for example, banks providing credits to Jewish enterprises so as to get them into shape for a profitable "Aryanization."¹⁴

Large banks, both private and corporate, played a cannibalistic role in some of the more important "Aryanizations" of Germany's private banking industry. In 1933, 490 (46.4%) of Germany's 1,053 private banks were "Jewish" according to National Socialist criteria. By 1939, all of these banks had been either liquidated or placed under non-Jewish ownership and control. Eighty percent of the Jewish-owned banking houses simply closed down before 1938 without any serious public notice, let alone concern, not only because they could not make a go of it but also because their harassed owners could see no point in continuing on. There were other Jewish banks whose fate could not be treated so lightly, however. Certain large Jewish banks such as Gebrüder Arnhold and S. Bleichröder, Mendelssohn & Co., Simon Hirschland, and J. Dreyfus & Co., were of great importance to the economy, and the authorities in Berlin were fully aware of their international, national, and regional or local significance. They played a major role in German foreign trade and, in some cases, were used by the international financial community to administer the lines of credit established under the standstill agreements following the 1931 banking crisis. They were also important for their role in floating industrial share and bond emissions and in other forms of industrial financing. The Reich Economics Ministry and the Banking Supervision Authority, therefore, resisted pressures from the Party to "Aryanize" such banks in ways that would be economically damaging. It was only in 1937-1938, after years of intimidation and mistreatment that the radicalizing regime decided that there was no place in Germany for Jewish ownership of private banks. "Aryan" owned banks sought to profit from this situation. August von Finck of Merck, Finck & Co. showed the way for other private banks seeking to expand at the expense of their competitors by taking over J. Dreyfus & Co. He was also very involved in the takeover of the Vienna Rothschild Bank after the annexation of Austria. The role of Hermann Josef Abs in the Deutsche Bank takeover of the Mendelssohn Bank may not be as clear a case of a "friendly Aryanization" as is sometimes claimed, but Abs and the Deutsche Bank did seek to keep Mendelssohn, Simon Hirschland, and the heavy industrial Petschek concern from

¹⁴ See the excellent and well researched study of Ingo Köhler, *Die "Arisierung" der Privatbanken im Dritten Reich. Verdrängung, Ausschaltung und die Frage der Wiedergutmachung* [Schriftenreihe zur Zeitschrift für Unternehmensgeschichte. Bd. 14] (Munich, 2005).

falling prey to the government-controlled Reichs-Kredit-Gesellschaft and their efforts on behalf of the interests of these old business associates were treated with gratitude after the war. Yet, the historian Harold James makes an important point in arguing that “an action which in individual cases...may appear to have been motivated by a genuine sympathy for business partners, in its cumulative effect undoubtedly helped to undermine the principles of property and morality.”¹⁵ In any case, no one would claim that the takeover of the banking houses of the Gebrüder Arnhold, first in Dresden in 1935 and then in Berlin in 1938 was “friendly.” In the last analysis, however, most of the takeovers of the assets of private Jewish banks and/or the banks themselves were neither “friendly” nor “unfriendly” but rather were done because the sellers had no other recourse and the buyers simply accepted the opportunity afforded by the regime and made the most of it. The common characteristic of these “Aryanizations” was that, in most cases, the prices paid made no provision for good will and did not account for the debts of Jews to the banks involved which, by definition, were “bad debts.” The price calculations for other Jewish enterprises were handled in a similar manner, and it was the way one did business in what the regime had turned into a buyer’s market.

The banks, of course, were not responsible for the fact that Jews left Germany and Austria impoverished, assuming they were lucky enough to be able to leave at all after paying the Reich Flight Tax, various other charges and, after the Pogrom of November 9, 1938, the Atonement Tax imposed on them. What was left was subject to foreign exchange controls which stripped away most of what was left. The banks were, however, the repositories of the accounts which were first blocked whenever a Jew indicated a desire to emigrate and then blocked simply because a person was a Jew. It should not be thought that this was a purely passive activity. For one thing, the banks charged fees to maintain these blocked accounts. More significantly, they administered them in accordance with rules that limited the amounts that Jewish account holders could withdraw for purposes of daily living expenses and special requirements, medical needs, for example. Thus, banks were given the task of assisting in the determination of the extent to which Jews could have access to their accounts to cover their living expenses or the costs of emigration. Naturally, this gave them considerable discretion in determining the expenses that would and would not allow their Jewish clients, and there is good evidence from one study of the Commerzbank that bank officials could be very stringent in their interpretation of the regulations. There is no evidence that the Commerzbank raised a finger to help its Jewish account holders and much evidence that it was able and willing to act in a surveillance capacity in dealing with their Jewish clients. The banks, in short, were turned into enforcers for the regime with respect to the disposition of Jewish deposits in their keeping, and their prerogatives increased as one approached the period of deportations between 1938 and 1941.¹⁶

Under a secret decree of August 16, 1939, all Jews rapidly lost control over the disposition of their accounts as the authorities began issuing security orders which compelled Jews to establish accounts with a bank authorized to deal in foreign exchange

¹⁵ Harold James, “The Deutsche Bank 1933-1945” in Gall, et. Al., p. 308.

¹⁶ See Hannah Ahlheim, “Die Commerzbank und die Einziehung jüdischen Vermögens,” in Herbst and Weihe, *Commerzbank und die Juden*, pp. 138-172.

that was designated a "limited disposition security account." Withdrawals were limited to 300 RM per month to cover normal living expenses, but additional amounts could be taken out to pay taxes, contributions to the Jewish community, legal and medical fees, and for emigration purposes. Here again, the banks were turned into enforcers who administered Jewish accounts in accordance with the security orders of the regime and the manifold regulations governing them. The culmination of the expropriation of Jewish accounts was the infamous 11th Implementing Decree of the Reich Citizenship Law of November 25, 1941 under which all German Jews and stateless Jews living abroad lost their citizenship while their assets were made forfeit to the Reich. Banks were called upon to identify and then surrender the monies in such accounts when called upon to do so by the Gestapo or the Finance Ministry. This measure was undertaken in connection with the deportation of the Jews to the East that was initiated on a large scale beginning in the fall of 1941. Jews thus deported were required to sign away all their assets to the Reich before deportation so that the proceeds of their accounts and depots could be confiscated by Gestapo or Finance Ministry order. All this did not prove quite as simple as it sounded, however, and the carrying out of the decree presented extraordinary difficulties for banks and insurance companies because they had many accounts whose owners could not clearly be identified as Jewish and others whose owners had left Austria and the Reich at an earlier date and whose actual citizenship was uncertain. Banks blocking and turning over the proceeds of such accounts could be liable to law suits abroad. The banks wished to limit their liability by having the Gestapo or the Finance Ministry cover their actions. Given the personnel shortages at the banks and the limited resources of the Gestapo and government agencies, the deadlines for reporting accounts were regularly extended and there was considerable confusion. Matters were particularly difficult in Vienna where many accounts, particularly at the Creditanstalt, dated back to the old Empire and could not be identified satisfactorily with respect either to nationality or "race." The 11th Implementation Decree, therefore, produced a host of abstruse problems that exercised both the banks and the authorities. These were of course usually of little moment to most of the Jews involved, who were being murdered, but there is no evidence whatever that the Creditanstalt or other banks had any qualms about having to play a more active role as enforcers under the decree. The flood of bank queries and complaints had to do with the lack of clarity surrounding the decree and the manpower problems it created.

Indeed, what seemed most troublesome to the Creditanstalt and other banks was that the handling of Jewish accounts and business in connection with the regulations often required Jews to enter bank premises, a situation that seemed to disturb some non-Jewish customers and led to complaints that they had to rub elbows with Jews. The Creditanstalt solution to the "problem" was stated in a management instruction of October 20, 1941, which shifted all business with Jews to the basement, thus keeping them out of the main hall. The porter was given the responsibility of having Jews entering the bank make use of the side entrance. The instruction read: "the non-Aryan series of the current account section and customer counter 4 will be consolidated, and customer counter 4 is responsible for all affairs of the Jewish customers. Insofar as other places in the bank are involved, they can get the necessary information from counter 4 either by telephone, or the Jews are to be sent through entryways in the back to the

relevant officials. All business with Jews in the central headquarters will be limited to the period from 9 a.m. to 1 p.m. In order to also avoid contact between Aryan and non-Aryan customers in the Vienna branches, the handling of Jewish customers at the counters is to be scheduled for the period 2-3 p.m.”¹⁷ How humiliating banking must have been for those Jews who remained in Vienna and were subject to such cruel conditions!.

It should come as no surprise that the anti-Semitic practices and policies did not stop at the borders of the Greater German Reich. If anything, they became more aggressive as the banks came hot on the heels of the German armies to engage in a substantial amount of expansion of their own, an expansion that was always accompanied by the elimination of Jewish bank officers and employees. This began with the takeover of the branches of the major Czech banks in the Sudetenland in 1938-1939 when, it might be noted, Jewish accounts and credits given to Jews were deducted from the assets for which payment had to be made. It was followed in March 1939 by the takeover of the Böhmsche Union-Bank by Walter Pohle of the Deutsche Bank, who actually showed up at the Böhmsche Union-Bank two days before the actual German invasion of Bohemia and Moravia, while his counterpart at the Dresdner Bank, the more stylish Freiherr von Lüdinghausen arrived at the Böhmsche Escompte Bank in full uniform with the invading forces. Both men did a rapid job of removing the substantial number of Jews working for these banks, using the resources of the Gestapo where it was deemed necessary, and the two banks became heavily engaged in the “Aryanization” of Czech commercial and industrial assets.

In both Austria and the Czech lands, the engagement of the banks in the financial arrangements connected with the emigration and then the deportation of Jews took on a new quality because, first in Vienna, and then in Prague, where “Central Offices for the Regulation of German Emigration” and then a “Central Office for the Settlement of the Jewish Question in Bohemia and Moravia” had been established which had the task of funding the deportation of Jews to the allegedly model concentration camp at Theresienstadt with the use of Jewish bank accounts and other assets. In Vienna, the Länderbank Wien, an affiliate of the Dresdner Bank, held the various accounts of the Israelite Religious Community and the “Central Office for Emigration,” which was under the command of Adolf Eichmann, as well as accounts of so-called “Emigration Fund for Bohemia and Moravia.” In Prague, the accounts of the Central Office were held by and large by the Böhmsche Escompte Bank, also an affiliate of the Dresdner Bank, although some accounts were also held by the Böhmsche Union-Bank. In any case, the banks were obligated to transfer the monies and other valuables in individual Jewish accounts to the Central Office accounts once the persons in question were scheduled for deportation. As is well known, Theresienstadt was often a way-station to Auschwitz or some other extermination center. Furthermore, the accounts in question were also increasingly filled with monies taken from deported Jews who had been required to sign away their belongings before deportation. In any case, the Länderbank Wien, and the two above discussed Czech banks under German bank control, held substantial Jewish accounts which they periodically transferred to SS-controlled accounts alleged for the purpose of supporting emigration and deportation. By 1943,

¹⁷ See Feldman, et. Al., *Österreichische Banken*, I, pp. 225-226.

however, there was not much deporting left to do, and there was a switch in emphasis, the banks now being ordered to earmark the assets of "Jews who had died in the concentration camp" for the accounts of the Gestapo.¹⁸ More generally, a 13th Implementing Decree to the Reich Citizenship Law was issued which declared the property of all deceased Jews, the number of which had of course increased greatly, forfeit to the Reich.

Is there any evidence of bankers protesting or revolting against these deplorable violations of their fiduciary responsibility to their customers? If there is, it has not yet been found. As noted earlier, banks fretted about being sued in foreign courts for turning over the accounts of Jews who had taken up foreign citizenship abroad which was, of course, a tacit recognition that there was some civilized world out there that did not take kindly to the violation of the property rights of its citizens, whatever their vintage. One also finds a certain bogus fastidiousness about acting legally in a commercial sense. Thus, on May 20, 1942, the Länderbank wrote to the Reich Group for Private Banking pointing out that under Austrian commercial law, a bank could not surrender money in a savings account without being presented with the savings account book. In the Austrian view, such savings accounts books had the character of a "virtual negotiable instrument." In fact, the Länderbank, except in the case of some very small accounts, had turned down requests from, among others, the Gestapo and the "Central Office for Jewish Emigration," for such monies. The Legal Department of the Länderbank, however, was not lacking for a solution and suggested that the courts be called upon to make use of an obscure decree dealing with the on the invalidation of documents that had been issued after August 31, 1915. Recognizing that this was a bit clumsy, however, and that it would delay the entire process, the Länderbank asked the Reich Group for Private Banking to see if a way could be found to avoid going to court by getting the government to issue a decree that would simply declare the savings accounts books in question as "amortized." It was undoubtedly a relief for the Länderbank lawyers to learn that the problem had already been solved by the Revenue Office of Berlin-Brandenburg, to which such assets were turned over, and whose President had agreed to assume legal liability for the confiscation of the Jewish savings accounts without presentation of the savings books. Yet another example of this passion for commercial correctness was supplied the Kommerzbank in Tarnow, Poland, which belonged to the Dresdner Bank. The bank refused to pay out on Jewish savings accounts and insisted that "ownerless" savings books could be only presented by the police or SS, whereupon the transaction would qualify for entry in the bank's records.¹⁹

Ultimately, of course, the banks were more interested in money and preventing losses than in such formalities, and the Nazi regime was more solicitous of their interests than the Turks had been in dealing with the German banks decades earlier. A good illustration is provided by Serbia, where the Creditanstalt and the Deutsche Bank had long controlled what was the Allgemeine Jugoslawische Bankverein. The destruction

¹⁸ Ibid., II, pp. 449-454 and James, *Economic War*, pp. 149-171.

¹⁹ Feldman, et. Al., *Österreichische Banken*, II, p. 450, and Ingo Loose, "Credit Banks and the Holocaust in the Generalgouvernement, 1939-1945," *Yad Vashem Studies* 34 (2004), pp. 177-218, esp. p. 182.

of Yugoslavia led to a splitting up of the bank, leaving a Serbian version known as the Bankverein AG, now under the control of a Deutsche Bank group that included the Böhmisches Union-Bank as well. The bank had long dismissed its Jewish directors and employees, but the arrival of the German armies in 1941 rapidly involved it in the despoliation of the Serbian Jews. In July 1942, one-quarter of the deposits at the bank were "Jewish monies." At the same time, the rigorous confiscation of Jewish assets by the authorities posed a problem for the Bankverein since it had given credits and lines of credits to Jewish-owned firms that antedated the war. Manifestly, these debts were unpayable under the circumstances, and on May 15, 1942, the Bankverein wrote to the office of the General Plenipotentiary for the Economy in Serbia asking that liens be placed on the seized property of the Jews involved. In this way, one would "avoid damage to pure German capital which is the owner of our bank." A few days later, the Commissariat Administration of Jewish House and Landed Property in Belgrade assured the Bankverein that it would give priority to the sale of Jewish property against whose owners the bank had claims. It is hard to tell how much the Bankverein received in this manner, since it was still asking for money from Jewish property sales in 1943 and, at the end of the year, was allowed to claim 89,409 dinar from the military administration's account for "Aryanization receipts." In October 1944, however, its claims on the office of the Head of Military Administration amounted to 72.2 million dinar for "Aryanization receipts." The Bankverein did hold mortgages on a substantial number of properties belonging to Jews, but it is unclear from the record whether there were profitable foreclosures. Finally, the bank also acted as an administrator of depots containing Jewish-owned securities, jewels and other valuables, a service for which it charged fees. Insofar as the content of the depots at the Bankverein and other banks were not assessed and disposed of prior to late 1944, the chaotic military situation led to their being transferred from Belgrade to Vienna, where they were placed at the Creditanstalt until they were sold at auction by the Viennese pawn house, the Dorotheum. The proceeds were placed in the Trusteeship account of the Military Administration in Serbia, which was held at the Creditanstalt in Vienna.²⁰

As should be obvious by now, and unless one believes that one bank account is just like another, that the German and Austrian banks were also complicit in the Holocaust by providing a host of services to its perpetrators in the SS and Police as well as by collaborating in the dismissal of Jews and their expropriation. This was especially true in Poland, which was of course the center of the mass murder. The Creditanstalt branch in Crakow has the dubious distinction of being the only branch of a major bank so far found to have had a direct involvement with a substantial number of concentration camps for which some records have been found. It was a business that did not last long, specifically from September 1, 1941 to April 1, 1942, and involved the Creditanstalt Cracow acting as a transmitter of cash transfers from the families of concentration camp inmates, nearly all of them Polish and a few also Jewish, to their relations in a dozen concentration camps, including Auschwitz. There is no evidence yet found explaining why the Creditanstalt Cracow was given what was apparently an exclusive assignment, although it would appear to have been related to its special rights in the foreign exchange area. It was possible to transfer up to 100 Zloty a month, the

²⁰ Feldman, et. Al., *Österreichische Banken*, I, pp.451-453.

bank handling the clearing arrangements involved and charging 4 Zloty for its services. In the spring of 1942, the entire arrangement was brought to an abrupt halt, and the families were no longer allowed to send money to their relatives in the camps. Manifestly, this was business on which the bank made a profit, and the bank did have a special section to deal with concentration camps, although it hardly could be called "big business." This was the sort of work that could be done more or less mechanically handled once the bank had printed up the appropriate forms.

The real crux of the matter historically and morally was that those involved in these bank operations were forced to come face-to-face with some of the human realities of the camp system. In February 1942, for example, the Creditanstalt Cracow had sent a list of 785 names to Auschwitz along with a transfer of 50,839 Zloty. On March 30, 1942, the Auschwitz concentration camp sent back a list of approximately 600 names "for prisoners who are no longer here or cannot be identified" and returned 40,211 Zloty, leaving a balance of 10,628 Zloty received by those prisoners still at Auschwitz. In any case, the Auschwitz authorities duly returned the money to the Creditanstalt Cracow which then dutifully returned the money to the relatives in question, reporting that the intended recipient was no longer in the camp or could not be found. In some cases, however, the family members knew that their family member was deceased and asked that the money be returned. There was similar correspondence with respect to other concentration camps. There is no record of how managers and employees at the Creditanstalt Cracow felt about these pathetic efforts to provide some food and other provisions for concentration camp inmates, let alone what they thought had happened to those who could not be found. Whatever the case, it has been estimated that between 70,000 and 75,000 of the 140,000 to 150,000 Poles sent to Auschwitz died there.²¹

An account of especially sinister origin was the approximately eight million Zloty placed with the Creditanstalt Cracow by SS Standartenführer Erich Schellin who was involved in disposing of and depositing some of the enormous assets and funds seized during the so-called "Aktion Reinhard." This *Aktion* involved the massive deportation of Jews to death camps and forced labor camps that began in the spring of 1942. In keeping with the favoritism shown to Dresdner Bank organizations by the SS, Schellin deposited 79 million Zloty in the Kommerzialbank, while 8 million was held in the account of the Association of Bulgarian Gardeners" at the Creditanstalt Cracow. The SS and Police Head of the Forced Labor Camp in Lemberg (Lviv) had an account of 1.2 million Zloty with the Creditanstalt branch there as well as huge accounts held for various agencies of the so-called Generalgouvernement. Is it even remotely conceivable that the bankers at the Creditanstalt branches in Cracow and Lemberg, which handled a large number of SS accounts, and the Kommerzialbank had no idea where these monies came from and were totally ignorant of the events surrounding the breakup of the ghettos and the transportation and murder of the Jews which in many cases took place under their very eyes? These were territories of extreme violence and centers of partisan warfare. The correspondence of the banks are filled with fretting about the solidity of the credits they were giving out to enterprises producing for the

²¹ Ibid., pp. 397-399.

war effort, and partisan violence and robberies conducted against Germans and ethnic German settlers.²²

This brings me to the final issue with which I intend to conclude this lecture, namely, the extent to which the credits given by the banks to German firms and concerns especially those operating in Poland, involved banking complicity in the Holocaust and to what extent were they aware of such complicity. To begin with, the banks provided huge amounts of credits to German enterprises producing for the war effort. They were not, however, charitable organizations, and their preference was to spread the risk by entering into consortia with other banks and, above all, to gain Reich guarantees for the credits. These credit guarantees enabled them to treat liabilities as assets on their books. The bankers could also read maps, and by 1943 they were well aware that the war was not going well and strove to reduce the risks as much as possible, a very difficult task when serving a suicidal regime. At the same time, they were fully aware that the firms and projects they were helping to finance were using forced labor, mainly non-Jewish but also Jewish, and as supervisory board members of large companies, they also received reports on the labor situation. The record does not show any particular banker interest in the labor force, and the only real concern was that the firms could fill their orders and were good credit risks. The Creditanstalt Cracow gave a substantial credit to Oscar Schindler and his finished enamel plant, who had huge army orders and had set up his own little concentration camp in 1943-1944, allegedly to improve efficiency and actually in order to keep his 700 workers from falling prey to the SS. The Creditanstalt Lemberg, with the strong support of Abs and the Deutsche Bank, was successful in becoming a creditor of the Karpathen-Öl A.G., a company set up to pull together various oil fields and turn Galicia into a "Texas." The company was a major employer of forced labor, including a significant number of Jews, and one of its leading directors was Berthold Beitz, who used his position to "stock up" on Jewish workers and, along with his wife and some like-minded colleagues, to do whatever he could to save Jews from being taken away to be murdered. Obviously the bank credits had not been given for such purposes, and there is no reason to believe that the banks would either have known or cared about what was going on one way or the other.²³

The same must be said about credits given to firms directly involved in the construction at Auschwitz. In the course of the researches on the Dresdner Bank, it was discovered that the bank owned 26% of the shares of the Breslau construction firm of Huta Hoch- und Tiefbau A.G., which had numerous SS orders, among them contracts for the building of large crematoria in Auschwitz. Needless to say, the question was investigated in very minute detail, but all that could be found was that the Huta credits were handled by the Dresdner Bank branch in Breslau and that there is no record whatever of Dresdner Bank officials, either in Berlin or in Breslau of knowing exactly what was being constructed by the firm in Auschwitz. This is not proof, of course, that

²² My own research corresponds to the work of Ingo Loose and his conclusions, see Loose, *Yad Vashem Studies* 34, pp. 205-218.

²³ Johannes Bähr, *Die Dresdner Bank in der Wirtschaft des Dritten Reichs* in Henke, ed., *Dresdner Bank*, vol. 1, pp. 555-570.

they did not know, and while the officials and employees of the firm itself certainly knew what they were building, but there is no evidence that the bankers involved knew.

This is a problem that repeats itself in the financing of the Erfurt firm of Topf & Söhne, which produced incinerating furnaces for a number of concentration camps before getting a contract for Auschwitz that was completed at the turn of 1942/1943. The firm had credits with the branches of the Dresdner Bank, Deutsche Bank, and Commerzbank, its chief ties being with the last two banks, and credits granted in 1941 helped put the firm on a sound financial footing. While members of the firm were knowingly involved in negotiating with the SS and building crematoria for mass murder, the evidence that has been found in the bank records show no interest whatever on the part of the banks in the exact nature of the Auschwitz contract. In fact, the Auschwitz crematoria orders were a small part of Topf's business and were unlikely to attract the attention of the banks. Apparently, the granting of credits to Topf was not for any specific projects but rather because local political forces and authorities in Berlin favored the company. Indeed, the debate over Topf is whether it would actually have mattered if the banks knew that Topf was servicing mass murder in Auschwitz. Where Monika Dickhaus appears to think that knowledge might have mattered, Ingo Loose fails to see where this would have made the slightest difference to the banks. I fear Loose is right.²⁴

This is, in any case, what I would conclude from the final example I want to discuss, namely, the credits given by the Deutsche Bank branch in Bielitz to the construction firm of W. Riedel & Sohn. The company had benefited greatly from Deutsche Bank credits since 1940 and, thanks to the good business in Silesia, was doing quite well in 1941-1942. In December 1942, Riedel had two million Reichsmark in contracts from I.G. Farben Auschwitz and another two million from the Central Construction office of the Waffen-SS and Police in Auschwitz. It had received a bank credit of 400,000 Reichsmark in October 1942. In the new year, it reduced its credit request to 300,000 Reichsmark because it had finished some of its preparatory work, could anticipate rapid payment, and was switching over its chief activity to work at the large construction project at Auschwitz. What this was never was specified, but the Bielitz bank branch strongly recommended continued credits to the company, whose management it praised. There is not a word in the documentation showing any interest in what Riedel was constructing. In fact, the only evidence there seems to be about what Riedel was constructing comes from a work report by one of its employees of March 2, 1943 that makes reference to the cementing of the floor of a gas chamber.²⁵ Manifestly, there is no way to conclude from this information whether Deutsche Bank credits literally financed this work, and it is reasonable to conclude that the Riedel employee knew far more about what was actually being constructed than the bankers in Bielitz or

²⁴ Monika Dickhaus, "Kredite für den Holocaust? Die Deutsche Bank und J.A. Topf & Söhne, Erfurt 1933-1945," in Aleida Assmann, Frank Hiddemann, Eckhard Schwarzenberg, eds., *Firma Topf & Söhne—Hersteller der Öfen für Auschwitz. Ein Fabrikgelände als Erinnerungsort?* (Frankfurt & New York, 2002), pp. 95-122, and Ingo Loose, "Die Commerzbank und das Konzentrations-Vernichtungslager Auschwitz-Birkenau," in Herbst and Weihe, *Commerzbank*, pp. 272-309, esp. p. 306.

²⁵ The documents pertaining to the Riedel credits are to be found in the Historisches Archiv der Deutschen Bank, F 122/1, F 119/1031, F 119/179. On the Riedel workman, see Ingo Loose, Herbst and Weihe, eds, *Commerzbank*, p. 277.

Kattowitz, who had approved giving credits to Riedel because it had such good contracts and was so industrious.

What the bankers did know, as one of their circulars of September 1942 informed them, was that Auschwitz was being expanded, that it would hold 100,000 prisoners, and that great constructions, including those of IG Farben, were being planned. In short, there was much business to be done, and the details of the business were secondary.²⁶ Obviously there had been a narrowing of perspective since the Deutsche Orientbank complained about the Armenian massacres, and this is a measure of the widespread *Zivilisationsbruch* that had taken place. For the banks and bankers what was front and center was not the forced or slave labor that one could see, let alone the mass murder that one could smell, but rather the opportunities offered by Auschwitz and its expansion. In the end, one could write off the failure of such investments, the Third Reich itself, and the unpleasant and unspoken memories of complicity.

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²⁶ Quoted in Bähr in Henke, ed., *Dresdner Bank*, I, p. 564.

