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Profits and Persecution:

German Big Business and the Holocaust

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Speaker: Peter Hayes

Transcribed by: Rachel E Lieu

[Holocaust Living History Workshop](#)

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- Time Transcription
- 00:00 [Read Write Think Dream / The Library UC San Diego Channel /
www.uctv.tv/library-channel]
- 00:09 Susanne Hillman: Welcome to today's Holocaust Living History Workshop, the last of the academic year. Thank you for joining us here in the Seuss Room and also from home at the computer. The Holocaust Living History Workshop is an outreach and education program sponsored by the UC [University of California] San Diego Library and Jewish Studies. Today's event has been generally sponsored by Judi Gottschalk, there you are. I fondly remember Judi's mother, Agathe Ehrenfried, or Aggie, as her friends knew her. From the workshop's inception, Aggie played an important part in the program. A strong believer in social justice, she shared the memories of her experience in Auschwitz and Plaszow on multiple occasions with our students and other guests, and participated, among other things, in commemorations of the Armenian Genocide. She was a lively and stunningly beautiful lady into her old age, and I remember her with great affection. Upon moving to San Diego, her daughter Judi began attending the workshop regularly. For years, Judi has also been active in other local Holocaust initiatives, including the Butterfly Project and Second-Generation Survivor Group. On a more personal note, Judi has often shared her mother's story with me and my students at San Diego State University and her class visit is always a highlight of the semester. Thank you from the bottom of my heart, Judy, for everything you do for the workshop.
- 01:45 Susanne Hillman: Today's distinguished speaker, Professor Peter Hayes will be introduced by Professor Jörg Neuheiser. For the last six years, Jörg has been a visiting associate professor at UC San Diego sponsored by the German Academic Exchange Service or DAAD [Deutscher Akademischer Austauschdienst]. He received his PhD from the University of Cologne in 2007. His Ph.D. thesis won the Best Dissertation Award from the German Association for the Study of British History and Politics in 2008, and the English edition of his first book was published under the title *Crown Church and Constitution: Popular Conservatism in England, 1815 to 1867*. His current research focuses on post-war Germany and the history of work in 20th-century Europe. I have recently read a chapter of his forthcoming study on the West German work ethic after 1945 and the legacy of Weimar and Nazi work experiences after World War II, and I can testify to the significance of his work. His study promises to do something that only the best history books do, it makes us think of all things in new ways. So, please be on the lookout for this book. For six years, Jörg has been not only an integral part of the History Department here at UC San Diego but also to my great delight and appreciation of the Holocaust Living History Workshop. Unfortunately for us, his stay in San Diego is coming to an end this quarter, Jörg will be greatly missed. Now please join me in welcoming Jörg Neuheiser to the podium.

03:24 Jörg Neuheiser: Susanne, thank you so much. That was really kind, wonderful. Thank you. But it's not about me tonight, it's about Peter Hayes, and it's a great honor to introduce our very distinguished speaker tonight. Even though Peter Hayes is probably proverbially the guest speaker who does not need an introduction, I'm pretty sure that Peter is the most prominent historian that I ever had the pleasure to introduce to an audience. Many of us here will know him from his many books and articles on German history, the Nazi period, and the history of large companies during the Third Reich in particular. Peter is definitely one of the most prominent American scholars of the Holocaust, and because of this status he's also known for his multiple appearances on television and in documentaries on the Holocaust and I believe the most recent of which was probably his contribution to Ken Burns and the PBS [Public Broadcasting Service] production, the *United States and the Holocaust* last year. From 1980 'till 2016, Peter Hayes taught history at Northwestern University in Illinois, and he also served on very important academic boards of multiple professional societies, including the chair of the Academic Committee of the United States Holocaust Memorial Museum, I think that was 'till 2019.

04:46 Jörg Neuheiser: Now, personally, I first became familiar with his work in 2010 when Peter, together with a number of other prominent German historians, published a book on the German foreign office and its diplomats, both during the Third Reich and in the Federal Republic. The book was called *Das Amt und die Vergangenheit, The German Foreign Office and the Past*. At the time I had just started teaching as an assistant professor at the University of Tübingen, in Southwest Germany, and immediately when the book came out, it was quite the rage in the department. And that was because it had sparked a huge debate in Germany, both because the book finally destroyed whatever was left of the myth that German, the German diplomatic service during the Third Reich had somehow managed to escape from Nazi infiltration and has, retains some kind of independence during that period and because the book highlighted the quite astonishing continuity between the diplomatic service during the Nazi period and the supposedly new democratic cause of diplomats serving West Germany after 1949.

05:48 Jörg Neuheiser: In a way, this book was the beginning of a new stage in Germany's *vergangenheitsbewältigung* or Germany's coming to terms with its past. A new stage in which even post-war state agencies and ministries have to account for the role that prominent former Nazis played in building our presumably new and democratic institutions after the war. The book sparked a wave of similar publications on other government institutions, and it certainly was an inspiration for my own research on post-war Germany. However, at the time by 2010, Peter of course already had a very distinguished career as a historian of the Nazi period and the Holocaust, and particularly the role of big business during the Nazi period. His prize-winning first book, *Industry, and Ideology*, which was based on his PhD

in Yale [University], was an important study of the IG Farben during the Third Reich. And I feel that his background in economic history is precisely what best defines Peter's contributions to the field of Holocaust studies. Subsequent books included a study on the Frankfurt-based chemical company Degussa, which of course is infamous for the fact that one of its daughter companies produced Zyklon B for the gas chambers in Auschwitz. Other books include important general handbooks and readers on the Holocaust.

07:09 Jörg Neuheiser: Now, it's impossible to mention all his publications, but I do want to bring up one more and that is his best-selling *Why? Explaining the Holocaust*. This was published in 2017, and it's something like the culmination of decades of teaching and researching the Holocaust. The book's organized around his answers to the disturbing questions that everybody asks when they try to understand the Holocaust. And I can only say, I really admire this book for its clarity, for its analytical depth, and the way it synthesizes the whole spectrum of Holocaust research and what essentially is an introduction for the general reader. Again, what I particularly appreciate it is the economic historian that shines through the pages of the book, for instance, when he explains just how profitable the murder of the European Jews was for the Nazis in one of the chapters. Now this brings me to his current research, and his talk tonight, which is closely related to a book that Peter is writing right now. Like his talk tonight, it is called *Profits and Persecution: German Big Business and the Nazi Economy in the Holocaust*. Peter, we're excited to have you here. We look very much forward to your talk. Please join me in welcoming Peter Hayes.

08:30 Peter Hayes: Good evening, everyone. Thank you very much for coming. As you'll see I have slides. You will also notice that I'm a 77-year-old man. In other words, there may be some slips on these slides. My grandchildren are not here, but they could probably do this better than I can. Historians often stress the open-endedness of the stories they tell, the contingency of events that could have gone in multiple directions had the people taking part made different choices. In a sense, my remarks tonight both conform to that sort of narrative and depart from it. Without questioning the general principle of indeterminacy, I want to suggest that the key switches were thrown very early in the development of German corporate collaboration in the prosecution and murder of the Jews, probably in the first six months of Nazi rule, surely in the first 18 months, and well before the regimes principle policymakers had decided what that collaboration would require. Barring a change in the erratic but inexorable momentum of the Nazi government's policy toward ever-greater viciousness, these switches were irreversible. After putting up only a half-hearted and self-serving defense of some German Jews, while many others were losing positions and property, during these initial months of Nazi rule, the leaders of the nation's largest corporations simply had no persuasive, let alone safe, grounds to dissent later.

- 10:18 Peter Hayes: As the Reich's policies radicalized, firms discerned ever-mounting reasons to take advantage of developments. In other words, the slippery slope started fast and proved steep. To demonstrate that point, and its enormous importance to understanding how the horrors of the Holocaust happened, I'm going to spend probably a little more time today than you would expect on the first years of Nazi rule. Please bear with me. I promise that you will see why by the time we get to the end. The slope tipped downward even before Hitler's appointment as Chancellor of Germany in January 1933. Since a fateful ambivalence regarding antisemitism already pervaded the upper reaches of Germany's largest corporations. On the one hand, unlike many fervent Nazis, few executives resented Jews as economic competitors or considered the commanding heights of the German economy *verjüdet*, Jewified. The numerical presence of Jews on the managing and supervisory boards of the country's 90 most highly capitalized firms had dropped by almost one-third between 1907 and 1927. On the boards of the 300 largest non-financial firms in Germany, that presence fell by almost another third during the following five years.
- 11:55 Peter Hayes: By 1932, almost two-thirds of these 300 leading firms had no Jews whatsoever in senior management positions. Multiple causes accounted for the downward trend. Mortality among senior industrialists with no suitable heirs or Jewish successors, mismanagement by some unsuitable offspring, mergers in the late 1920s that absorbed many Jewish-owned firms into publicly traded entities. Resignations during the upheaval of the depression and government decrees that shrank the size of corporate boards, and the number on which any individual could serve. Antisemitism appears to have played a role in one significant case, that of the disappearance of Jews from the managing board of the chemical giant IG Farben between 1925 and 1932, but not in others. After all, many of the remaining Jews were that by heritage only and second or third-generation converts to Christianity. Few were regarded as alien in any significant sense, and virtually none took political positions significantly different from those of their Gentile colleagues. Most contemporary or retrospective accounts suggest that antisemitism did not quite stop at the boardroom doors, but its grasp was relatively weak inside the threshold.
- 13:29 Peter Hayes: Nonetheless, a particular mix of antisemitic aversions persisted among corporate leaders. It thrived not on animosity or rivalry toward Jews one knew but on distaste for those perceived from a distance. Two such groups aroused particular ire. First, the roughly 100,000 traditionalist Jews from Eastern Europe who had immigrated during a period of lax border controls during and shortly after World War I, they now constituted 20 percent of the German Jewish population, appeared uninterested in assimilation and aroused fears of incursion by the backward and unwashed East. Second, the numerous Jewish intellectuals who criticized capitalism from prominent positions in culture and journalism and thus offended industrialist's self-esteem. The man on the left is Ernst Toller who

was a German writer of the early 1920s, a radical leftist figure in the uprising in Munich. The man in the middle is Max Reinhardt who was the most successful and most famous theater director in inter-war Germany. The man on the right is Theodor Wolff who was the editor of the center-left *Berliner Tageblatt*, more or less comparable in America to the Washington Post, I think would be the fairest comparison.

- 14:59 Peter Hayes: Uneasy with attacks on decent and accomplished Jews like themselves, but irritated by these other Jews, many corporate leaders gravitated toward a specious middle ground in policy. Typified by the diaries and papers of Fritz Roessler who was the supervisory board chairman at Degussa, a major inorganic chemicals firm in Frankfurt, he's the man on the left here. He expressed opposition to infringements on the livelihood and legal status of long-resident Jewish fellow citizens but support for measures that would, as he put it, push back Jew's cultural influence, including by imposing quotas on their admission to universities and professional schools the *Numerus Clausus*. [Adolf] Hitler, [Hermann] Göring, and other leading Nazis indulge this indefensible drawing of distinctions prior to 1933 by echoing it or avoiding the subject of Jews altogether when meeting with big business leaders, even as Nazi newspapers and marauding stormtroopers, threatened a much more sweeping assault. As a result, when Hitler came to power, most of the leaders of German big business underestimated the threat Nazi antisemitism posed to Jews but already had ruled out a categorical defense of them.
- 16:30 Peter Hayes: The fateful consequence of this weakness of anti-antisemitism at the top of the corporate world became apparent swiftly during the spring of 1933, as the Nazi movement demonstrated its lack of deference to the nation's magnates and their scruples. At a gathering of some two dozen high-ranking executives on February 20th in Berlin, to which Göring had attracted them with the promise that, quote, the *Reichskanzler*, the Reich's Chancellor will explain his policies, unquote. Hitler made clear that he was not interested in discussing economic issues, but rather in shaking down those assembled for monetary contributions to his current election campaign. The Nazi's method was to announce that they had no intention of relinquishing power, regardless of the outcome of the balloting. So, the industrialists' choice was between financing Hitler's win or experiencing civil war, if he lost. He and Göring then departed, leaving Hjalmar Schacht, who is the man on the right. He was the former and the future head of the National Bank, the Reichsbank. He left, Schacht was left to collect the pledges of money by the industrialists, which ultimately amounted to three million Marks. Two weeks later, the Nazis manipulated the ground rules of the election and won 44 percent of the vote, and their national allies, another eight percent.
- 18:07 Peter Hayes: Their qualified victory set off numerous wildcat actions by Nazi Party zealots in factories across the country. As non-Nazi members of factory councils

were compelled to resign in favor of politically acceptable figures and pressure mounted on companies to dismiss Jewish managers, reduce the number of Jewish employees, and replace them with unemployed Nazi party members. This sort of agitation culminated in early April 1933 during and following the infamous Nazi-organized boycott of German shops and offices. Often overlooked is another event that occurred that day, the appearance of Otto Wagener, he's the man on the left here, at the time, the leader of the Nazi Party's Economic Policy Office, at the offices of the National Association of German Industry with demands for the dismissal of two of the organization's business managers, their replacement by two government approved appointees and the removal of all Jews from its governing board. As it happened, the association's president, that's the man in the middle here, Gustav Krupp von Bohlen und Halbach, the head of the Krupp iron and steel firms, was meeting at that very moment with Hitler and when he learned later that day of the demands, he entreated the Fuehrer to rescind them.

19:39 Peter Hayes: After Hitler said no two days later, Krupp caved in over the protests of several other board members whom he silenced by threatening to resign. Thereafter, he clung to what one historian has called a strategy of ingratiation, I prefer the word appeasement, hoping to maintain industry's influence over government economic policy by cooperating with the regime's political goals. Most of German big business fell in line behind this ultimately futile policy for want of an alternative and because they liked other Nazi policies, such as the smashing of the trade unions. But both lack of conviction about defending Jews and fear of personal consequences contributed to the inertia. The mixed feelings that many executives harbored toward Jews meant that the most they could expect from the corporate world, at least in public, was the sort of temporizing defense that Carl Friedrich von Siemens, he is the man on the far right, he is the family founder of the Siemens electrical company that everybody has heard of.

20:56 Peter Hayes: In early April 1933, Siemens managed to express the following, which he thought was supporting German Jews. He expressed, quote, the sincerest sympathy to the German Jews who are deeply rooted in our fatherland and the hope that this period of exaggerated antisemitism will soon belong to history, unquote. But then he went on to endorse the arrest of *Antibolschewisten*, a term that means roughly cultured communists, including what he said was, get this, quote, a very large percentage of Jews, primarily newly immigrated ones, unquote. He then chided native-born German Jews for having failed to distance themselves sufficiently from the Leftist politics of, quote, their racial comrades, *ihrer Rassengenossen*, unquote. And then he advocated the reduction of the share of Jews among lawyers and physicians in Germany to, quote, a healthy proportion that approximates the population mix, unquote. In-person as late as May 1933, a few executives, notably Carl Bosch of IG Farben, who is the man on the left, and Hans Walz of the Robert Bosch Corporation, who's on the right, tried to persuade

Hitler and other leading Nazis that persecuting Jews would damage Germany, but to no avail.

22:27 Peter Hayes: A behind-the-scenes effort from May to August of 1933 to draft a memo for the Nazi economics ministry to the same effect in which Carl Bosch, Krupp, and Siemens took part, resulted in a wan document that endorsed, quote the goal of bringing the views of the national government to fulfillment, unquote But argued for proceeding slowly and avoiding economic disruption. The toothless text quickly became a dead letter. The second secret behind the general acceptance of Krupp's policy, overlooked even more often than Wagener's ultimatum of April 1st, was the regime's intimidation of several highly visible corporate leaders during the spring of 1933. Paul Reusch, he's the man on the left in this, the head of a mining and machinery conglomerate and a dominant voice among German industrialists in the waning days of the Weimar Republic, owned a newspaper in Munich that the Nazis wished to control. Between March and May 1933, Nazi officials dismissed the editors and appointed new ones, confiscated Reusch's stock holding, and arrested his protesting lawyers, making their release conditional upon acceptance of the expropriation. Reusch not only gave in but henceforth lined up behind Krupp's course, which he had opposed initially.

23:59 Peter Hayes: Simultaneously, two other magnates, Philipp [Fürchtegott] Reemtsma, who's the man in the middle, the head and part owner of Germany's largest cigarette producers, and Günther Quandt, the man over there on the right who had the same status as the leading producer of batteries, found themselves being investigated by the Prussian justice ministry for alleged instances of corruption and bribery during the Weimar Republic. Reemtsma avoided arrest, but several of his leading managers did not and he was subjected to attacks in the press and calls for his removal that came to an end only when he paid Hermann Göring a bribe of three million Marks. Quandt's torture lasted longer and cost more. He and his chief subordinates were arrested and a commissar took over his plants until September 1933, by then, he had obtained release only by paying a bail that came, according to a headline in *The New York Times*, to over one million US [United States] dollars. He remained embroiled in expensive legal proceedings for another two years. Meanwhile, having gotten the intended message, both Reemtsma and Quandt aligned themselves closely with the regime's policies and Quandt became particularly active in driving Jews out of German economic positions.

25:29 Peter Hayes: Incidentally, some of you may know the Quandt family remains enormously wealthy in Germany. They are the principal owners of BMW [Bayerische Motoren Werke AG]. By the summer of 1933, the Nazi regime had shown Germany's corporate big wigs, who was horse and and who was rider, as the German expression goes: *wer war Ross und wer war Reiter*. The administration of this lesson involved temporary threats to executives like Reusch,

Reemtsma, and Quandt but lasting consequences for many Jewish firm owners, board members, managers, and even rank-and-file employees. They fell victim to a massive first purge that their Gentile colleagues saw as merely the price of a working relationship with the new regime. In the country's 300 leading industrial firms, one-third of the Jewish managing directors, and one-quarter of the supervisory directors lost their jobs in the first half of 1933. By mid-1934 the respective figures came to 57 percent and 50 percent. And for firms based in Berlin, the capital city, almost two-thirds and just more than half. Changes of ownership were less extensive at this early stage, but still significant, especially in commercial fields on which the Nazis long had fixated; department and chain stores, newspapers and book publishing, state-owned industries and utilities, and suppliers to the military, government offices, and the national railroad.

27:12 Peter Hayes: Both with respect to directorships and ownerships, some major firms acted even before the regime applied pressure, exercising what Germans call anticipatory obedience. The Deutsche Bank quickly dismissed two Jewish managing board members even though Hjalmar Schacht, whom we've seen before, told their colleagues that this was not necessary. The Dresdner Bank hired Erich Niemann, one of Herman Göring's flying mates during World War I, to cajole the Jewish owners of firms tied to the bank to sell out before they lost value. In other words, from the beginning of Nazi rule, most leading German executives regarded the Nazi onslaught on the Jews strictly through the prisms of personal and corporate self-interest. If individual managers or clients or suppliers were vital, firms tried to retain them as long as that was the case. If they were expendable, then one accepted what were called the requirements of the prevailing conditions and extended at most, help in finding jobs abroad, positive letters of recommendation, normal severance terms, and purchase prices that corresponded to the market value of what was acquired.

28:34 Peter Hayes: But that value usually had been reduced at first by the after-effects of the depression and later by the increasing desperation of the sellers. Because the induced flight of Jewish property owners presented German big business with numerous opportunities to shelter rising profits, expand market shares, diversify, and vertically or horizontally integrate, the competition to cash in on Jew's misfortune picked up steadily. By 1937, niceties were falling away as regional party representatives increasingly prompted sales and influenced prices. Banks and creditors shifted from fearing the loss of Jewish owners' expertise to fearing their loss of business and thus their inability to repay loans. Lenders thus tipped from being sustainers of Jewish enterprises to underminers of them. Meanwhile, firms began to take advantage of provisions that allowed them to reduce Jews pension payments. The Dresdner Bank emerged as a pace-setter in brokering property transfers and renegeing on its commitments to former Jewish employees who numbered in the hundreds. The self-interest in persecution operated particularly powerfully within the macroeconomic context that Nazism created.

Purging and dispossessing Jews wasn't just about gaining what they had. It was also about pleasing the regime.

- 30:12 Peter Hayes: In the second half of the 1930s, two-thirds of the annual growth of the German economy stemmed from state expenditures on armaments and import substitutes. The nation was a monopsony. Everybody knows what a monopoly is. A monopsony is an economy dominated by one buyer. In this case, that was the German state. And the German corporate world was dependent on and addicted to government contracts. Increasingly, a precondition for receiving them was active cooperation in making Germany *Judenrein*, free of Jews. At the turn of 1937-38, the Nazi regime changed its policy from encouraging the removal of Jews from German economic life to enforcing it. The economics ministry issued a series of decrees withdrawing allocations of raw materials, foreign exchange, and government contracts from any firm with a Jewish board member or senior manager, or in which Jews owned more than 25 percent of the stock. Since this meant the death of any firm that met the criteria, the decree set in motion, a complete purge of the few Jews remaining in board positions and a massive sell-off of Jewish shareholdings at increasingly party-dictated prices.
- 31:47 Peter Hayes: The Nazi state conducted a census of Jews assets in April 1938, and in the aftermath of the Kristallnacht Pogrom of November, began insisting on the monetization of these assets, their consolidation in bank accounts to which the owners have limited access, and then the partial confiscation of the contents. Corporations now became even more active and indispensable agents of persecution than previously. The major insurance firms paid the cash value of Jew's life insurance policies into those partially blocked bank accounts. While Edward Hilgard, the man on the left, the head of Allianz, the largest of these insurance firms, persuaded Nazi leaders that his company need not pay some 50 million Reichsmark in Jews fire and damage claims from the pogrom; the pogrom being the picture on the right with the broken glass, all of the material that the insurance companies had protected. He persuaded the Nazis that he and his other companies did not need to pay the Jewish policyholders because they had provoked the pogrom. He talked Nazi to the Nazis and he got out of 95 percent of their obligations.
- 33:16 Peter Hayes: Degussa, the company that you heard mentioned before, Degussa no longer exists. If you want to look this company up, it's now called Evonik. It's a specialty chemical company. In those days, it was a producer primarily of cyanides and of precious metals, compounds of precious metals. Degussa converted the precious metals bearing objects that Jews had to hand over to state pawn shops into bars of gold for the Reichsbank and the four-year plan office, and into bars of silver for industrial use. Meanwhile, the Deutsche, Dresdner, and Commerz banks loaned much of the capital needed for corporate takeovers and took in fees for brokering those takeovers. And the same financial institutions collected, itemized,

and administered Jews' assets, restricted the Jews' access to them and then transferred the sums exacted by the Nazi state to the finance ministry. All of this is by way of illustrating how indispensable they were to the process. Indicative of the degree to which corporate leaders and their firms had become constituent parts of the apparatus of persecution by early 1939, is the fact that of the activities I've just described, only Hilgard's was highly profitable. Even the brokering of property transfers turned out to be a low-margin business for banks, because more assets were lost through the mass liquidation of Jewish-owned firms than were gained on a small number of high-commission sales.

- 34:57 Peter Hayes: But companies felt compelled to compete not only for the assets the regime threw up for grabs but also and sometimes primarily for political favor and the future preferences and rewards that it might bring. What a historian named Neil Gregor has called the normalization of barbarism among corporate policymakers became especially apparent regarding Jews assets in the annexed regions of Austria and the Sudetenland and the subjugated protectorate of Bohemia and Moravia, during the run-up to World War II. Once more, the Dresdner Bank was in the vanguard, gobbling up the lion's share of available financial subsidiaries and serving as the agent of corporations that belong to the Nazi state, such as the Reichswerke Hermann Göring were cultivated particularly closed ties with it, including Mannesmann steel, which also still exists. But now even firms that largely had refrained from takeovers of Jewish property within the Reich, such as IG Farben and [unclear], plunged in as a means of beating out competitors. The acquirers consistently regarded it as literally none of their business that the Nazi state then generally stripped the former owners of most of the sale's proceeds, however meager.
- 36:19 Peter Hayes: Given this record, by the time World War II began, corporations like virtually all other German institutions, were virtually pre-programmed to participate in future Nazi crimes. In fact, most of them already were so implicated in plunder and persecution that there was no turning back. Having agreed to smelt the precious metals the Reich extorted from German Jews in 1939, how could Degussa refuse to do the like for the precious metals German bureaucrats squeezed from the Jews of Łódź in 1940? Or even express reservations about purifying the metals that the SS [*Schutzstaffel*, protection squadron] later delivered to the Reichsbank from camps and shooting sites in occupied Poland and further East. Having brokered and been party to numerous property transfers in Germany and served as transmission belts that collected, monetized, and steadily transferred Jews wealth to the German state, on what basis would the Deutsche, Dresdner, and Commerz Banks and their affiliates in occupied countries shun similar activities or cease to perform them once deportations began?
- 37:40 Peter Hayes: Having pursued Jewish-owned enterprises in Austria, the Sudetenland, the Czech provinces, especially prospective competitors and or

former business partners, why would leading German manufacturers refrain from tempting acquisitions in the expanding German sphere? Having begun ensuring SS-owned factories at Dachau and supplying Sachsenhausen with Zyklon to fumigate clothing in 1940, why would Allianz and Degussa's Degesch subsidiary withhold these services from new camps further East later? With the power and wealth of [Heinrich] Himmler's SS, obviously on the rise in wartime, the benefits of good working relations with its leadership were too great to forego for firms or individual executives jockeying for advantage and the risks of poor ties were too great to assume. As a result, while first German rhetoric and then German actions turned toward annihilation as the final solution to the Jewish question, the extent of German corporate participation in the escalating criminality became largely a function of Nazi government policy.

38:58 Peter Hayes: When and where the regime permitted or called for significant corporate involvement, the competitive ambitions of senior executives and their enterprises generally guaranteed its availability. When and where the regime saw a reason to restrain these ambitions, the role of German big business and the Holocaust proved less than many large German firms actually wanted. Contrary to popular perception, corporate takeovers of Jewish-owned property in occupied countries were one of the spheres in which the acquisitive ambitions of big German firms were often disappointed. But when the SS asked, corporations treated it as a fitting business partner and became willing enablers of the Holocaust. The large commercial banks and their subsidiaries in occupied regions extended lines of credit to the SS and its offshoots and accepted massive deposits from them, which consisted almost entirely of sums extorted or plundered from Jews before or during their deportation. In Prague, the largest single depositor to the Dresdner bank's affiliate was the SS Central Office for Jewish immigration, which confiscated most of the assets of Czech Jewry. At the Deutsche Bank subsidiary in Prague, the largest depositor was the Jewish administration of the Theresienstadt transit camp - there's an aerial view of that and then a view of one of the street scenes - to which privileged German Jews had to assign their assets before being allowed to spend a short time in this weigh-station on the road to death.

40:45 Peter Hayes: In Kraków, about half of the cash proceeds of Operation Reinhard, the murder of Polish Jewry, landed in the vaults of another Dresdner bank subsidiary. Along with the banks, Germany's leading precious metals processors and insurance firms actively sought out the SS business. Determined to preserve its market leadership, Degussa unquestioningly accepted various forms of gold gathered by the SS, especially from the occupied East and the Netherlands, and refined it into some five metric tons of pure and fungible gold, some of which the big banks sold at a substantial profit on the open market in Istanbul. Allianz Insurance agreed to cover the shipments in both directions from the SS to Degussa and from it to the banks and then to Turkey. Instrumental in turning Jews

assets to the Nazi States' advantage, large German firms were also vital to the realization of the largest and most murderous death camp, namely Auschwitz. In fact, the place might never have acquired that dreadful status, but for two related decisions on the part of IG Farben's leaders in early 1941.

- 42:10 Peter Hayes: First, to build a giant synthetic fuel and rubber factory 7 kilometers east of the camp at a place called Monowitz. This is the view of the factory in very late 1944. It was not quite complete and the Russians were about to arrive. And second, to trade building materials destined for that project - this one, the factory - to the SS, in return for gravel and laborers from the small concentration camp for Polish political prisoners that had been established there the year before. The first decision created an appetite for labor that alerted Himmler to revenue-generating possibilities in the region. The second decision allowed the SS to add an extra story, an extra floor to all of the, to most of the pre-existing barracks that constituted the fledgling concentration camp, and thus to increase the number of inmates. Those are complicated sentences what I said, but basically, what they decided to do, the factory had allocations of steel and bricks and concrete to build, the camp did not. And so, what the factory did said, we will give you the steel and the bricks, you send us the laborers and the gravel from your pit, and that will be how we prepare the land for the factory and you will be able to expand the camp. The SS did not provide the Auschwitz camp administration with the capacity to expand, IG Farben did.
- 43:50 Peter Hayes: When plans emerged later that year to build a companion camp at Birkenau and then early in 1942 to construct four large buildings containing gas chambers and crematoria there - this, I think this is crematorium four at Birkenau - the construction firm selected was one in which the Dresdner Bank was the biggest shareholder and lender. AEG, which is the German General Electric, a company founded and for a long time led by members of the Jewish Rathenau family provided the electronic circuitry for that building. Once again, Allianz extended coverage for the workshops at the original camp and the Farben Factory. The Deutsche Bank's branch at Katowice furnished credits of two million Reichsmark to the SS, mostly for Birkenau and an equal sum for Farben's construction project. Having helped bring Auschwitz-Birkenau to life, IG Farben also aided the camp in producing death. The giant chemicals compound was a part owner, albeit in a secondary capacity to its partner Degussa, in a company called Degesch, which I've already mentioned. It controlled the production of Zyklon, a vaporizing pesticide that in 1941 became the principal murder weapon at the camp.
- 45:22 Peter Hayes: No known evidence establishes that the representative of Farben on the board of Degesch knew of the use of their product for gassing, but the business manager of that firm, who was on Degussa's payroll and the principal owner of the firm that sold Zyklon to the SS, both did know of its use, and they

chose to continue delivering the substance. Farben's second connection to the death toll at Auschwitz was more demonstrable and direct. It involves supplying SS doctors at Auschwitz and other concentration camps with sulfa drugs and vaccines designed to combat dysentery, gonorrhea, tuberculosis, and typhus. These were then tested for efficacy and tolerability on inmates. In some of these experiments, half of the prisoners treated as guinea pigs died, and the total number of victims is unknown. Still, a third way in which Farben contributed to the mortality rate at Auschwitz was the firm's exploitation of thousands of inmates, slave laborers at its nearby factory and coal mines. The best estimates of the death toll vary between 13,000 and 28,000 prior to the evacuation of the site in January 1945. By that time, the practice of putting camp prisoners to work in German industry had become widespread, including more than 700,000 people spread among enterprises deemed vital to the German war effort.

46:58 Peter Hayes: Farben's deal with Auschwitz for labor in early 1941, actually blazed a trail in this regard. Until then, only the construction firm, Philip Holtzman, had made extensive use of ghetto or camp inmates who put them to work on building a highway from Berlin to Łódź in 1940. But Farben's agreement with the SS still conformed to the general SS preference for locating factories near camps, not camps near factories. Volkswagen broke this taboo later in 1941 by arguing successfully for a camp at its factory in Wolfsburg to put inmates to work building a plant to make aluminum. These arrangements remained unusual until late 1943, when Albert Speer, the armaments minister, and Heinrich Himmler of the SS, concluded that the Reich's labor shortage was so acute that the Jewish camp inmates had to be put to work in multiple German factories along with numerous non-Jews that were being rounded up across occupied Europe. Most industrial leaders gratefully accepted the workers thus offered, concluding that they were indispensable to maintaining or increasing output given the massive military call-ups of industrial workers and the already high rate of German female employment.

48:31 Peter Hayes: The tunnel vision that pervaded industrial participation in the Holocaust especially characterized the readiness of German industry to exploit inmate labor during World War II. It amounted to a willingness to walk over corpses as the German equivalent of the phrase, to stop at nothing goes for the employment of inmate labor occurred on terms that contained perverse incentives. The SS charged a fee per inmate per day that in many cases exceeded what a German civilian laborer, especially a construction worker, would have been paid. Even when this was not the case, the relatively low productivity of inexperienced and semi-starved inmates offset any savings on compensation. As a result, employers sought to economize on food and housing to drive prisoners hard and to work them long hours, at least so long as replacements were available for those who fell by the wayside. In other words, the use of so-called slave laborers became a process in which firms and their leaders reduced camp inmates to the status of a factor of production that could be used up like so many pieces of coal.

- 49:57 Peter Hayes: Of the 1.1 million camp inmates put to work, about half for government projects like building the bunkers along the Atlantic coast and underground factories like those that made the V2 rockets, and about half for firms that produced arms and vital materials, between 500,000 and 600,000 perished. Participation in this crazed process, including in the massive effort in 1944, [19]45 to bury factories underground in order to save equipment and production lines from bombing was fostered by executives' real fears of ouster, arrest, and execution. In 1942 alone, Paul Reusch, you saw his picture before, was forced out of the leadership of his conglomerate, as was Ernst Poensgen at the head of the United Steel. While the regime also succeeded in removing or disempowering all the top executives of the nation's five leading aircraft firms, BMW, Heinkel, Messerschmitt, Junkers, and Focke-Wulf. In 1943 two directors of Deutsche branches, Hermann Kerler [sp] in Stuttgart and Georg Meta [sp] in Silesia, were denounced by the Gestapo, to the Gestapo by people who overheard them making disparaging remarks about Naziism and, or its leaders. Not only were they both guillotined in the fall, but the Nazi newspaper *Der Völkischer Beobachter*, published an article that made a public example of Meta.
- 51:12 Peter Hayes: Around the same time, Wilhelm Ricken, the head of the Rheinisch-Westfälisches Electricity Works, was charged with quote, undermining the fighting spirit of the nation for having predicted Germany's impending defeat to colleagues. He was executed in May 1944. His death is recorded today on a *stolperstein* [stumbling stone]. This is literally, that means the stumbling stone. They are embedded in the bricks of a sidewalk and on that it gives his name and that he was *hingerichtet*, executed for *wehrkraftzersezung* damaging the fighting spirit, and gives the date of that. Finally, in the late stages of the war, the regime repeatedly scapegoated corporate leaders for breakdowns in output or air defenses by alleging sabotage. Rudolf Blohm, the head of Blohm and Voss shipbuilders, [unclear], the chief engineer of BMW, and two chiefs of submarine manufacturers, namely Wilhelm Schultz of *Deutsche Werft* and Karl Stoppelfeld of a Krupp subsidiary, all faced sabotage charges.
- 52:46 Peter Hayes: Throughout the descent of German corporate conduct, from the abandonment of Jewish colleagues in 1933 through profiting off Jew's dispossession and murder to working Jews to death, the leading executives embodied the thoughtlessness, the indifference to the people on the receiving end of their deeds, that Hannah Arendt defined as the banality of evil. Indeed, they embodied it far more accurately than the sort of man to whom she applied the term Adolf Eichmann, who both disregarded and relished the effects of his actions on others because he profoundly believed in what he was doing. At the center of corporate complicity was mundane and myopic dedication to short-term self-interest, whether defined as monetary returns, personal advancement, or individual or corporate survival. As Raul Hilberg, one of the pioneers of Holocaust studies observed, in most German organizations throughout the Holocaust quote,

normal procedures were employed as if extreme decisions were not being made, unquote. The main impetus behind this ethical numbness was a relentless focus on oneself and one's own blinkered priorities. So, what's the point of this long story? Refusing to defend people as a group can lead to persecuting them as such. Once the haters acquire power and the capacity to mold human self-interest, including firms' self-interests, to their purposes. And once this process gathers momentum, it is far harder to stop than to accept, far harder to reject the justifications, than to begin to echo them. Thank you all for your attention.

54:50 Speaker 1: That was fabulous, fascinating. I was just wondering how you started in getting interested in this aspect of - was it because you are an economist - this aspect of the Holocaust?

55:11 Peter Hayes: Well, I got interested in studying corporations because I was a graduate student in German history. You have to find a dissertation topic. Many people write about people, biographies, and so on, though that's gone out of style. But it always struck me that there are many organizations that are much more important than many celebrated people. And so, I wanted to get into an organization and see how it, I had read [Raul] Hilberg, he was interested in the bureaucracy. I was interested in the microeconomic version of that. So, and I, my advisor said, well, you know, there was this post-war trial of executives of this big corporation. And therefore, unlike American corporations who hide their documents everywhere, there was this big repository of information that I could dig into. If I had known how many there were when he told me this, I might have hesitated. There was something like 16,000 documents in the trial record that I dug into, and then there were thousands of documents that were not used in that trial record but were in the successor firms of the IG Farben Corporation and they were largely open to me.

56:24 Peter Hayes: There were three successor firms of IG Farben. There was Bayer, which was very open, there was Hoechst, which no longer exists, which was somewhat open, and there was BASF [Badische Anilin- und Sodafabrik] which still exists, which was very difficult to penetrate. But so I had 16,000 plus. This is how I got into it. The last chapter of that dissertation was of course about Auschwitz. Now the bigger question you related to this is how did I get interested in the Holocaust? That is a that's a time place story. We all have our time and place stories. I'm a child of the 1960s, so I grew up watching little girls bombed in churches, and dogs sicked on civil rights demonstrators, and so forth and so I was looking at racial violence in my own country. I lived in a suburb of Boston where it wasn't that some of my best friends were Jews, all of my best friends were Jews. I went to more Bar Mitzvahs and confirmations and so forth so antisemitism was a puzzle. And then my sister married a German. My sister married a German. I went to live with the German family and they began to teach me the language. And they seemed like nice people, and yet they were exactly the wrong age, if you will. So,

all of these things that I wanted to understand them, I wanted to understand what was happening to my friends, I wanted to understand what was going on in American life and this all, to me, came together with the Holocaust because I could read the documents. I had the language. I was interested in the issue, so that's how it all came together. And then from that book on IG Farben, I worked more and more about, if you will, the economics of the Holocaust. So that's how it happened.

57:48 Speaker 2: Thank you for your excellent overview of the intimidation and control of German companies by the Nazi State. But I'm wondering about US companies. IBM had punch cards and tabulating machines operating in Auschwitz -

58:30 Peter Hayes: It's all nonsense. I hate to cut you off there. There are fascinating stories here. Ford, GM [General Motors] with Opel and so what, I know the book by Edwin Black. I know he gets around a lot and talks to lots of people. The book is utter nonsense. The Nazis had, the Nazis made no use of IBM material in order to locate where German Jews were. That's his first claim. Well, there were tabulation machines that were used not only in Auschwitz but in other places. But it was an experimental project in 1944 and it failed. It was not a system of regularly allocating their slave laborers, which is what he implies. In Germany, the Nazis operated before 1939 in locating Jews with what is still the case in Germany wherever you live, you have to register with their [unclear]. You have to, even I, as a foreigner, when I was a student there, I had to *ich müssen anmeldung*. I had to go to the local office. I had to register. This is my name, this my address, and so forth. They have that. Then when you leave, even as a foreigner, I had to go *abmeldung* [cancel registration]. And so, they have a record of everybody. And then that was for me as a foreigner, and this was the case in the 1930s. But also what they have in Germany, right down to your local area is the *Finanzamt*, which is the tax office. They have your address and so forth and they know how to allocate your tax payments to the federal level, the state level, your confession in Germany, you have to tithe unless you go to a lot of trouble to opt out of it, so 10 percent of your taxes go to whether you're a Catholic, a Protestant or Jew or Muslim or whatever. And so, this is all administered and organized and the addresses are all there, and it's all much more up-to-date than census records. And so the Nazis used all of that.

1:00:24 Peter Hayes: Now after the deportations start, it's even more diabolical. The Nazis made the local Jewish councils do the work, and the Jewish councils knew where everybody was because in occupied Europe, people were pushed into ghettos. So, census records no longer knew where they were. In Germany, beginning in 1939, the Jews are pushed into what are called Jew houses, *Judenhäuser*. That meant that the addresses they had reported in the census of 1939 were also obsolete. So, the only way you could find them was the local Jewish community kept the tabulations. And when the main office in Berlin wanted to organize a deportation

from Berlin, they would basically, the SS would send a note to the Jewish community head in the *Große Hamburger Straße* in Berlin, and would say, we want 2,000 people assembled at the cargo station in, I forget where was it, it's out in the periphery and they have to report there, they have to walk there. Now our criteria are, we want you to pick 2,000 people that meet the following description over the age of 60 or whatever. And then the Jewish community went through its files to identify all the people who fit the description. They send that back to the Gestapo headquarters, and the Gestapo headquarters basically says these are the ones we want and these other ones, and then they send it back, and the community types up the list. And this was true, this was true in Germany and all those places. This was true in the Warsaw Ghetto, although there were no lists in the Warsaw Ghetto.

1:02:08 Speaker 3: Choiceless choices.

1:02:10 Peter Hayes: I'm sorry? Choiceless choices, that's right. And, then in Amsterdam, there are lists, but it's the Jewish community that draws this up. So, the IBM is not important in the identifying of Jews, the distribution of Jews, the killing of Jews, it's nonsense. Now, Ford and GM become implicated because Ford had a plant in Cologne, GM had a subsidiary Opel in Rüsselsheim. And there they do, they are put under administration of a German person during the war, but they use slave labor. After the war, Ford and GM basically reclaim the profits on that labor, which is the really shocking thing. They do it because, I mean, they do it not only because they want the money, but also because they want to express solidarity with their German industrial partners who are all saying we didn't do that the state made us, so we're not liable. And so, Ford and GM in Germany tried to act like a German firm in this respect. So, it's a complicated story. The American business community in the [19]30s was riddled with sympathy for the Nazis. Partly there were antisemitic sections. The steel industry was particularly opposed to hiring Jews and its own operations. The DuPont Corporation was hostile to hiring Jews.

1:03:46 Peter Hayes: There were lots of people who thought that Hitler was a barrier against communism. That's another thing. There are a lot of people who thought the Spanish Civil War was the template for what the world was up against. It's either the nationalism and fascism on one side or communism on the other, and while many Americans and intellectuals in particular chose upside with the legitimate government, many business figures chose upside with the fascists. So this was, and that led to people who made excuses for the Nazis, or said, I think in my example of this that we should remember is Father Coughlin, who was doing radio broadcasts in the 1930s after Kristallnacht, saying they brought it upon themselves. You know, far be it from me, Father Coughlin now speaking, as a good Christian to say that brutality is right, but they brought it upon themselves. And this was a very strong current of American opinion. These are all part of the why we didn't let more people in. And so, yes, there is a sort of pro-Naziism among

many American business leaders and so forth, and they make excuses. But their importance to the Holocaust is trivial. I'm sorry, that was a long answer.

- 1:05:12 Speaker 4: Thanks for this very compelling lecture. I just have a couple of, you know, quick questions. So, you made this very much a story about antisemitism, the prosecution of a minority. But wouldn't it be important to emphasize that the failing of the business community consisted primarily of this rejection of democracy and this sort of hostility towards the left which basically let it into the arms of National Socialism? And that also then complicity in the Nazi regime. IG Farben was of course specific about the Auschwitz story, but the broader complicity, of course, is the use of slave labor, which included 12 million mostly non-Jewish Eastern Europeans. Two more comments. I very much liked your emphasis on the switch that's turned early on but then you also gave a few examples of people who resisted that dynamic, who somehow managed to get out, and would be interesting to hear more about what explains that.
- 1:06:25 Peter Hayes: But they all give up.
- 1:06:27 Speaker 4: They all give up. And my last comment that goes to your last comment about American business. To what extent would the ethic selfishness that you described as the sort of moral of the story, to what extent is that part of a phenomenon that we still might call capitalism?
- 1:06:45 Peter Hayes: Clearly that is - take the last one first - clearly it is and clearly I tell this story as a warning about that. We do have counter movements among capitalism. We do have people who talk about corporate social responsibility now. And we do have people who see that they have responsibility to stakeholders and not just shareholders. There are some countervailing movements. We'll see how strong they are. What I want to, what I imply about this talk very strongly is that the Nazis are working with two different forms of coercion. The one is, you know, we'll arrest you, we'll threaten you, you know, that thing but it doesn't take many doses of that to get the message out, people talk and so forth. The other is the power of the state economy. This is not a classically capitalist country. It's a crony capitalist country. It's a country in which the state is making the decisions about who's going to prosper and who's not. And so, there's a lot of crony capitalism. There's people who ingratiate themselves with the regime do better than other people. So, there's not only the stick, there's also the carrot, which is partly a stick [laughter] that is available there.
- 1:08:01 Peter Hayes: And so, now the first part of what you said, I'm working now on this book, started out as a book that I had a co-author with and he had to withdraw. And so, I have written all of the stuff about 1933 to 1945. And I hadn't yet, now I have to write the bracketing chapters. And what I've been wrestling with is these industrialists during the Weimar Republic, because they're vehemently anti-socialist. They're, they're vehemently convinced the left is destroying the economy.

And they go on and on about in 1920s and [19]30s about how we will prosper if the state will just get out of economic life. And then in come the Nazis, and they hit them up the side of the head a little bit and then the state takes over economic life, and they do just fine. They don't protest anymore and so forth. I've been trying to understand the mentality of these people in mid [19]20s and I do think what happened is that this is a nation that had lost a war. It had territory taken away, it had colonies taken away. And unsurprisingly, this is an economy in which the productive capacities are too big for the market that it has. And so, these industrialists they're always trying to cut their costs. And they try mergers and they try rationalization of industrial processes and so forth but basically always whine about two things. Labor is too expensive and the allies made us pay reparations.

- 1:09:33 Peter Hayes: And so, this becomes their routine excuse or their answer to every economic problem. When in the crisis of the Republic, there are a series of authoritarian rulers before Hitler. Business keeps thinking they're going to somehow solve this problem for us. They're going to put labor back in line and so forth, and they fail. They split. They won't do the industrialist bidding as much as they want. And so, then when the crisis comes in late 1932 early 1933, it's not that they hoist Hitler into power, it's that they're on the sidelines. They're not the deciding people at all. They don't like what they have. They're not sure they can trust him. And then the decision gets made for them. And in he comes and he starts changing the rules of the game. As I said to you way back at the beginning, we have to look at this first 6 to 18 months because this is when the shots get called, and this is when they fall into line. And it's a mix of the threats plus the prospect of, well, we have another way to solve your problem. It's rearmament, it's import-substitution, it's government money and these will create for you the new bigger market that you didn't have. So, that's the way I understand all of this.
- 1:11:00 Speaker 5: Um, I think, are you ready?
- 1:11:03 Peter Hayes: Yes.
- 1:11:04 Speaker 5: Okay, this sort of, I'm not sure about this question, but some of the Jews that owned bigger, bigger businesses, industrial, or were big on boards or whatever. Were they able to negotiate freedom out of Germany for letting the Germans take over their country?
- 1:11:24 Peter Hayes: Yeah, depending on the time. The earlier people sold out the more they took away with them and you could come closer to 100 percent of what you owned. The later, the less. And the people who get out at the tail end get out with almost nothing but the biggest owners are allowed to leave. The Warburg Bank owners, the ones that have left in Germany, they leave in [19]38, [19]39. So, there are some things like that. But the hardest thing for many people who were quite prosperous, it was to make that decision to, you know, see early that this is not, this is not going to go a different way. This is just going to get worse. But the

people who did, I, I always tell the story about, everybody - well, forgive me if I say this, looking at you all. But I think most of you know who Ted Koppel is? [laughter] Undergraduates, I can't do this, you know? But Ted Koppel's family, Ted Koppel's uncle owned a company in Berlin that Degussa bought. And he wisely decided. He was out by the end of [19]34. He sold out in two tranches in [19]33, [19]34. And I've seen his, there's a file about his exit - the financial, what taxes he paid and so forth - that's in the state archive of Brandenburg outside of Berlin. And I've seen it and he got out, he paid about a sixth of his property to the authorities as he left and he got to take most of it away but that's 1934, December [19]34. If you waited much longer, it just got less and less. And then, and then they cheated you on the exchange because if you were going to England, then what was left had to be converted into pounds. And they would convert that at an artificial rate that took away most of the value.

- 1:13:22 Speaker 6: To that what you were saying, my grandfather owned a lumber yard and they stayed way too long. But my question really is, the insurance company - they were there for Kristallnacht - everything was destroyed. Did they ever pay up? Were there ever -
- 1:13:40 Peter Hayes: No, they neither paid the people who had the policies nor did they pay the government.
- 1:13:46 Speaker 6: So, can I go back and try to reclaim?
- 1:13:50 Peter Hayes: I don't know because I've been involved in restitution cases where the judges in the United States generally rule that too long has passed, that it's covered by the agreement that was made in 1999, 2000 for a global payment. The German, there was a fund created in Germany it's *Stiftung Erinnerung Verantwortung und Zukunft und so etwas* - memory responsibility in the future. And it was a fund then that was to be 10 billion Deutsche Marks, half of it provided by the government, half of it provided by German industry. But the part, the interesting thing about the part provided by German industry is that number 1, it was tax-deductible. So it was really only 25 - by the time they were through, they paid out a quarter. And then Number 2, the firms that paid into the fund - it was entirely voluntary - you paid 1 percent of your turnover, total receipts in the last fiscal year. That bears no relation to how badly the conduct had been in the 1940s, how bad it had been, or how good. So it was totally, it was negotiated justice. It was not in any real relationship to what companies had done and what they hadn't done. That lists of who has contributed and who had been published but very few people have delved into look who has not contributed to this. So, but that's usually what American courts now rule, that it's covered. If you have a restitution claim, it's against that fund, not against the companies themselves.
- 1:15:40 Speaker 6: Thank you.

- 1:15:43 Speaker 7: Thank you so much for this talk. You did mention sometimes where these companies are today and how their ownership structure is. Will you say something about the transition into the *Wirtschaftswunder* [economic miracle]? And like, eh - this is a big question, but maybe you have some thoughts.
- 1:16:02 Peter Hayes: Very few of these people ever tried or were ever, were prosecuted. Now, one interesting way of seeing the difference is IG Farben, 23 of the members of the board of directors plus two other senior managers, were put on trial before an American military tribunal in 1947, [19]48. Degussa, the company to which I referred who owned Degesch that controlled the distribution of Zyklon. The heads of that company also headquartered in Frankfurt, same town, were examined by the American authorities, there was talk of a trial and nothing ever happened. The man who ran Degussa from 1939 to 1945 became head of the company again in 1952, I think. So the, one way or another everybody got back. Now, the Farben executives, it's been a long time since I wrote that book. I'm not sure I can recite this correctly, but seven of them got jail terms out of the 23. I think several others' got basically time served because they'd all been held incarcerated since [19]45. But then - I think a ten or so we're totally acquitted. So they're, the ones who were most severely punished were all people who had to do with the Auschwitz operations of the company. So, and that's basically it.
- 1:17:30 Peter Hayes: No one in Siemens was ever punished. Siemens is my sort of my whipping horse because Siemens is a very famous company. We all know it. Right after the war the heir to the firm - the one you saw died during the war - the heir to the firm wrote a long handwritten memo about the use of slave labor in the company. Siemens had a factory right outside the main gate of Ravensbrück, which was a women's camp in Northern Germany, and those women were worked to death. So, he wrote all this, he confessed, and then, but there was no trial and since 1945, Siemens has systematically obscured what it did and how deeply involved it was. To the point that many of these companies have had histories written. They've invited historians, Degussa invited me into the archive, and just said here, write about it. And they opened it up to me because there had been a suit in the United States, and the attitude of these company leaders is nothing can be worse than what they're saying about us. So, tell us what happened because these people are all beyond remembering it. And so that's, I was invited to do it. There's a history of all the Allianz that Gerald Feldman, who taught at Berkeley for many years, wrote. But Siemens has resisted it, and the Siemens official history was written by their chief archivist and it is a masterpiece of obfuscation.
- 1:18:59 Peter Hayes: The most incriminating stuff is buried in hundreds of big long footnotes. The book is organized all about the technology of what the companies did. So you, it's not chronological. It's not about corporate decision-making. It's all sort of fragmented and you can spend a month trying to figure out what's in that book. So, their conduct has been very bad. Another company that has been

terrible, but is now as now broken down as a company called Henkel, which in the United States, no one knows Henkel.

- 1:19:37 Audience: The knives?
- 1:19:40 Peter Hayes: But no, that's Henckels. That's a steel firm in Solingen or somewhere in the Rhineland. Henkel makes Persil. Persil is the German version of Tide [detergent]. It is the biggest selling detergent in the country and Persil. Everybody knows Persil and Henkel is a family-owned firm headquartered in Dusseldorf. They have finally broken down 2022 and opened their archive to a historian at the University of Bonn. But the family-owned firms have been the latest. You can imagine why, right? And so, that's the story of these things. It's highly variable.
- 1:20:23 Deborah Hertz: Okay, Susanne has a -
- 1:20:25 Susanne Hillman: Final question.
- 1:20:26 Deborah Hertz: Okay, I'll stop myself from asking three questions and just ask two. So, the first one is a wonderful chapter in the *Explaining the Holocaust* book, and that is, why kill the laborers? And the second question has to do with greed and hatred. So, if you would go to Facing History & Ourselves or many wonderful curricula that are designed for high schools and Jewish community schools, the emphasis is on racism and hatred. You switch the emphasis to greed and I wondered if you could talk about the kind of global explanatory level.
- 1:21:00 Peter Hayes: I switch the emphasis to self-interest. Greed is one form of it. But when you find, you find particularly horrible examples, let's take the man named Kurt Prüfer. Kurt Prufer was an engineer who worked for Topf & Söhne. Topf & Söhne made the crematoria ovens at most of the camps. Kurt Prüfer was consulted in the design of that, and he told them he knew what these rooms were being used for, and he told them that Zyklon would operate only at a certain temperature for maximum effectiveness and he explained to them therefore that they had to introduce heating elements. He was telling them how to do their job better than they knew how to do it. He didn't do that because he was going to make a fortune. He wanted to show them what a good engineer he was. It was this kind of, it wasn't about money. It was about I know what I'm doing. So, it's broader. It's greed but it's also a lot of these other things. And I think, I do that because we are all seducible, where most of us are seducible in some way or another. These people were not worse people than we are. They were in, it is true that they were in an hyper-nationalist environment which is different from what we normally think of as America. Not necessarily in recent years, but normally. And so, it's true they were that. But these are people who were looking around, and figuring things out, and they adapt and for a mix of motives, but they adapt.
- 1:22:52 Peter Hayes: Now, the first part of your question, why kill the laborers? Number one, the Nazis believed that they could not win the war if Jews were alive behind

their lines. Because they believe that's how they lost the First World War. That they'd been stabbed in the back, and the Jews and the leftists had to be removed, and so the argument is in the first place it's not an argument against ideology, against practicality, it's a practical argument. We can't win the war unless we kill them. That's the first thing. The second thing is that when their killing is at its peak, they don't think they need the laborers. You know, 50 percent of the victims of the Holocaust die in 11 months. Basically, March of [19]42 to February of [19]43, and 25 percent die before that period even starts. So, three-quarters of the victims of the Holocaust are dead when the war turns against the Germans. And at that moment, they suddenly say, gee, maybe we don't have an unlimited supply of labor, and they start keeping some people alive. They keep the, they keep the ghetto in Łódź alive until August 1944. And then they kill them because Himmler says, we can't win the war without them dying. And so, but they keep these munitions factories around Radom, in Poland, the one that Chris Browning has written about. They keep those people alive even after they've killed almost all the other Polish Jews.

1:24:31 Peter Hayes: So, it's partly a matter of time and practicality, and only at the very end does Himmler think that I need these laborers for something. Maybe to do a deal with the West, maybe, you know. And so, at that moment they shift over. But up until then, it's, killing them is part of winning. It's not competing with winning. And incidentally, that gives me a chance to say something that the canard is that the railroads, the deportations, were a diversion from the war effort and so forth - none of it's true, none of it's true. It took 2,000 trains over three years to deport three million people to death camps. The number of trains operating in the German Reich on any workday was between 25 and 30,000 a day. Two thousand over three years, you see? I mean it was trivial. The equipment was all broken down, derelict stuff that they pulled off the signings. The German word for decommissioned is *ausrangiert*. It was mostly *ausrangierte*, cars, and so forth. The locomotives were the oldest ones in the *Reichsbahn*. Again, no diversion from the war effort. The killing process required very few men. Treblinka had 30, at the most, Germans. All the rest were Eastern European auxiliaries. Auschwitz had a big garrison, but it was spread over sub-camps - 40 different sub-camps - all over the place. The biggest garrison was at the end when they're marching everybody on the death marches out of the camp.

1:26:11 Peter Hayes: So, the diversion of resources was almost nothing. The Holocaust paid for itself. They stole much more from the Jews than it cost them to operate this. I did calculate for that book *Why?* because I knew from Degussa's records and Degesch's records how much gas was sold, and how much of this Zyklon was sold to the camps. And we know from various testimony of SS men after the war what percentage of the Zyklon was used to kill people because most of it was not. The reason why the SS thought it was Zyklon is they used it to fumigate barracks, and it was already on hand. So you work this out and then you work out that they

gassed at Auschwitz between 900,000 and a million people. You work out the quantity of Zyklon used to kill, the charge for each of the containers of the Zyklon, the number of people, it comes out to about one US cent per corpse in 1943. It's incredibly cheap. And at Treblinka, and Chelmno, and Sobibór in Belżec, they're using captured Soviet tank engines to generate carbon monoxide, which is piped in, and gasses people. Holocaust used the gasoline, the engine they didn't even pay for. They harvest the engines from the battlefield. So, you get the sense this was a - all of the camps were scavenged operations as you saw from IG Farben, the trade with the bricks, that's one form of it. That was largely built - well, not that one, not that crematorium - but the women's barracks at Birkenau, which are the first barracks that were built. They were built out of tearing down the homes of the Polish villagers that had lived there, and re-purposing the bricks to make the first barracks. The gas chamber at Treblinka the second one, the one that was made out of brick, was built by blowing up a factory chimney 15 kilometers away, and take carrying all the bricks to Treblinka and reassembling it. This is not a high-budget operation. See, you wind me up, and look what happens? I'm sorry.

1:28:36 Susanne Hillman: Thank you.

1:28:40 [Profits and persecution: German Big Business and the Holocaust / featuring / Peter Hayes, Author, and Historian/ May 17, 2023]

1:28:45 [Presented by / The Holocaust Living History Workshop / Deborah Hertz, Director, The Jewish Studies Program, UC San Diego / Susanne Hillman, Program Coordinator, The Holocaust Living History Workshop / UC San Diego Library / Erik T. Mitchell, The Audrey Geisel University Librarian / Nikki Kolupailo, Director of Communications and Engagement]

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