

Interhandel: Die schweizerische Holding der IG Farben und ihre Metamorphosen—eine Affäre um Eigentum und Interessen, 1910–1999 [Interhandel: The Swiss Holding Company of I. G. Farben and Its Metamorphoses: An Affair of Property and Interests, 1910–1999]. By *Mario König*. Zurich: Chronos, 2001. 412 pp. Appendix, notes. Paper, €36. ISBN: 3-034-00602-0.

Reviewed by Peter Hayes

Following World War II, the victorious Allies immediately sequestered I. G. Farben, the giant German chemical corporation, then presided over the division of its holdings in the Federal Republic among several successor firms (principally, Bayer, BASF, and Hoechst) and the nationalization of its assets behind the Iron Curtain. The concern's far-flung foreign properties, including subsidiaries in neutral countries that it had tried to protect from eventual confiscation by apparently relinquishing control over them between 1938 and 1941, also often were seized and disposed of by the host states. But in Switzerland, a contorted, seemingly endless, legal and public controversy developed concerning the true ownership of the I. G. Chemie corporation of Basel.

Founded in the late 1920s under the auspices of an originally German-backed Swiss banking house (Ed. Greutert & Co. of Basel) as the holding company for Farben's foreign operations, I. G. Chemie was not owned formally by the German enterprise but was tied closely to it by a series of binding contracts. These guaranteed investors in I. G. Chemie an annual dividend equivalent to Farben's and reserved to the German concern an option to purchase the Swiss company's possessions at any time for their book value. In May 1940, as I. G. Chemie's (formerly Farben's) U.S. operations came under increasing pressure from American government agencies, Farben agreed to nullify the contracts. Its apparent intent was to make Swiss ownership indisputable and thus to insulate the subsidiaries from seizure for the duration of the war, after which the old arrangements could be restored if Germany won. In December 1945, seven months after the collapse of the Reich put paid to such calculations, the Swiss firm was renamed Interhandel. It was subsequently recognized by the Swiss authorities as an independent

enterprise, not subject to the treaties of 1946 providing for the liquidation of German-held assets in that nation.

Since 88 percent of I. G. Chemie's holdings consisted of the valuable properties grouped under the General Aniline & Film Corporation of New York (GAF), which the United States had continued to regard as German controlled and therefore confiscated as enemy property in 1942, the Swiss decision opened the door to a quest to assert title to GAF on the part of Interhandel and the Swiss banks that later acquired dominance over it. That increasingly acrimonious dispute was settled in the early 1960s, when an agreement divided the proceeds from auctioning GAF's assets on a 60:40 ratio between the U.S. government's War Claims Fund and Interhandel, bringing the latter some \$122 million. Twenty years later, however, the I. G. Farben in Liquidation company reopened the controversy. A publicly traded entity founded in the 1950s to administer and wind down the residual assets and obligations of its dissolved namesake, the liquidation company had become the object of stock speculators, who now tried to prove in German courts that the transfer of I. G. Chemie to Swiss control in 1940 had been a mere "trusteeship." If this gambit succeeded, the company would be declared the rightful owner of the proceeds meanwhile acquired by Swiss entities. By 1988, this effort had failed, but in the late 1990s, the German aspirants made headlines once more when they launched a publicity campaign reviving their claims under the pretext of seeking access to the proceeds for the benefit of Farben's victims, a reference to the numerous forced and slave laborers employed at the concern's installations.

This book, an exhaustively researched and reconstructed "analytical narrative" prepared under the auspices of the Independent Commission of Experts on Switzerland and the Second World War, was written not only to clarify whether I. G. Chemie really became independent in 1940, but also to explain how and why Interhandel became a recurrent media "affair" in the 1950s, 1980s, and 1990s. Mario König's answer to the primary question, that of I. G. Chemie's independence, is a qualified and ironic "yes." I. G. Farben's cession of control over I. G. Chemie in 1940 was formally and legally complete and not an instance of "cloaking," even though the Swiss owners' long-standing personal connections to Farben and their own business interests disposed them to render the German concern wartime services that amounted to "economic collaboration" (p.

398), and even though the permanence of I. G. Chemie's autonomy depended entirely on the Allied victory (p. 260). His explanation of the second phenomenon, that of the media attention, is also double-edged. He traces the takeover of Interhandel by the Swiss Bank Corporation (SBG) in the 1950s and the ensuing suppression of two ambivalent Swiss government studies of I. G. Chemie's ownership that were carried out during the immediate postwar period, a move that rekindled suspicion during the 1980s and 1990s.

Now armed with the newly released texts of these reports, König concludes that the successive owners shot themselves in the feet. In order to obtain a split-the-difference settlement in the 1960s that the Americans long had offered and that full disclosure of the evidence eventually would have mandated, then to save on the cost of legal wrangling with I.G. Farben in Liquidation, the Swiss investors pursued a course of concealment and deception that undercut their credibility and kept the Interhandel issue alive. Though König does not say so, the story and his conclusions roughly parallel the tale of the Swiss banks' treatment of "inactive" bank accounts owned by Jews caught up in the Holocaust. The thinking of Swiss financiers emerges as strikingly parochial and self-protective, and their conduct appears obtuse and counterproductive. Equally damning is the portrait of the opportunistic behavior of Swiss journalists and government officials revealed in König's account.

This painstaking, acutely rendered, even-handed, and clear-headed work surely will stand as the authoritative treatment of the convoluted Interhandel affair. Readers who turn to the subject in the future will thank König for the richly informative timeline, biographical data, documents, and tables that he has appended to the text. Business historians will learn much from König's book, not only about the shadowy realm of Swiss-German industrial relations during the Nazi era but also about the venality and political selfishness that attended controversies over restitution in the early postwar decades and even up to the present day.

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