

The Nazi Dictatorship and the Deutsche Bank. By *Harold James*. New York: Cambridge University Press, 2004. x + 286 pp. Maps, illustration, bibliography, notes, index. Cloth, \$40.00. ISBN: 0-521-83874-76.

Reviewed by Christopher Kobrak

As Harold James readily admits, this is not a completely new book. It is part of a long series of works commissioned by Deutsche Bank to document the bank's involvement with the Third Reich. Although *The Nazi Dictatorship and the Deutsche Bank* adds information from newly opened archives in Russia, the United States, and Central Europe, it is, to a large extent, based on the chapter James wrote with Lothar Gall and others on the Nazi period in *The Deutsche Bank* (1995). James's recently published *The Deutsche Bank and the Nazi Economic War Against the Jews* (2001) contains many overlapping sections with both the chapter and this latest book. It is, therefore, to begin with, not for every reader. Nevertheless, James's latest version of the Deutsche Bank story during the Nazi period is a very readable, impeccably researched, balanced account of how, why, when, and to what degree one of Germany's most prestigious institutions became implicated in Germany's most hideous political and economic activities.

The greatest strength of the book is the way James develops the economic and political contexts of Deutsche Bank's strategies and activities in the early 1930s. Not to excuse but rather to help explain, James lays out Deutsche Bank's—indeed the whole banking system's—vulnerability in the 1920s and early 1930s. With savings destroyed by the war and inflation, and cut off to a large extent from international capital markets, Deutsche Bank found itself paradoxically more dependent on government business and regulation and more despised in many circles as Germany's best-known representative of international finance capital. The banking crisis of 1931, the breakdown of international capital flows, and the imposition of exchange controls further weakened the already humbled reputations of German money-centered banks in the eyes of politicians, their electorate, and even international banking colleagues. Few groups had more contempt for

Deutsche and the other big banks than the National Socialists. This helps explain why the bank labored to ingratiate itself with the party and why it had relatively little success. The Nazis believed, probably quite rightly, that in a world in which investors and international capital flows had little to say about economic priorities, big banks were superfluous.

What follows is James's systematic accounting of the degree of anti-Semitism at Deutsche Bank before January 1933, the bank's involvement in the expropriation of Jewish assets in and outside Germany, its participation in the sale of stolen gold, its connection to forced and slave labor, and its relations with banking institutions in conquered countries. Since the subject of Aryanization was covered more extensively in the earlier work by James mentioned above, I will focus on other parts of the story.

One of the most interesting strands of the narrative deals with how the bank tried, often unsuccessfully, to cultivate party contacts by hiring and promoting Nazis and by trying to pursue some of its traditional roles, such as mediating for companies involved in political disputes with the government or party. Although it is hard to know what would have happened had it not employed token party members, its efforts seemed to have borne little fruit. With little in its pre- or post-Nazi takeover activities to recommend it as a "model National Socialist firm," the bank was unable to prevent, for instance, the sentencing to death in 1943 of two of its branch managers for "defeatist remarks."

As wartime reversals made many in the regime even more hostile to financial institutions, the bank and its managers were excluded from much of the worst business complicity, not because of their consciences, but rather because of the nature of their activity and because they were considered to be useless parasites by the party faithful. In its segment of the service sector, Deutsche Bank also had little use for forced or slave labor, though it did employ some. Its main connection with foreign workers was as transfer agent for the money they had saved, a role for which its international connections still had a use. Its involvement with concentration camps seems to have been limited to financing a small portion of the construction of the Auschwitz complex and to the membership of one of its

executives on I.G. Farben's *Aufsichtsrat* (supervisory board). James stresses, perhaps too cautiously, however, that, although everyone knew that Jews, gypsies, and others were being rounded up and shipped to detention centers, there is no written evidence that any senior manager at Deutsche Bank knew to what purpose the centers (death camps) had been put.

Unlike many business historians, James gives the reader a thorough financial picture of the company—revenues, profits, and assets. All of these financial categories increased dramatically during the Third Reich, but James recognizes how inflated this apparent prosperity had become. He concentrates on the effect of the Nazis on Deutsche Bank's business in Germany and conquered territories, one of the few "growth areas" left open to the bank, which it, indeed, in at least some countries, aggressively pursued. Even these undertakings, however, were limited by political and military considerations. James has little or nothing to say about the political fallout or disadvantages that accrued to Deutsche Bank in other parts of the world, such as in North and South America, or about international-debt restructurings in the 1930s and Deutsche Bank's role in managing blocked funds.

James revisits the behavior of one of Germany's most controversial businessmen, Hermann Josef Abs, a leader of Deutsche Bank before and after World War II. Abs is a key figure, for he exemplifies the motivation and behavior of many German businessmen during this period. A devout Catholic and an international banker, he probably had little sympathy with Nazi ideology and certainly never joined the party. He clearly had contact with many members of the resistance but stopped short of implicating himself in their dangerous and perhaps futile gestures. Abs later defended this reticence by invoking his commitments to his family and firm. James concludes judiciously that, by the time the worst crimes were being committed, Abs and other bankers were helping make the machine of control work more smoothly, but only a few zealots, mostly lower-level staff, were throwing themselves enthusiastically into the regime's crimes. The rest, including Abs, had already, by 1942, been rendered powerless by economic and political

forces mostly beyond their control, but to which they unfortunately only timidly reacted.

There are only a few things that I find disappointing about the book. Unlike the German version, it contains no list of abbreviations. The index is thin. Nevertheless, this is a very well-written, scholarly narrative, largely based on unpublished primary sources skillfully questioned by a committed historian.

*Christopher Kobrak is professor of finance at ESCP-EAP, European School of Management. He is the author of National Cultures and International Competition: The Experience of Schering AG, 1851–1950 (2002) and of several articles on business and financial history.*