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How I Joined Deutsche Bank

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Ladies and Gentlemen,

I have carefully studied the list of people who accepted the invitation to this meeting - they are probably all present - and I'm very impressed by the large proportion of teachers, members of universities and professors, for whom I have always had great respect, even though I'm a banker who never went to university.

Having said this, let me first cite Paul Mankiewitz, whose portrait, painted by Max Liebermann, hangs in the reception room outside my office. Mankiewitz was a predecessor of Gustaf Schlieper from the Disconto-Gesellschaft. You will hear more about him later on. Liebermann was in great demand as a portrait painter in Berlin and very fond of painting bank directors. I suppose it was the fee. He finished one of the portraits after three sittings. This was considered relatively little because for the fees charged it was normal to have - or rather expect - five sittings. Liebermann showed the painting to the bank director, who said in a broad Berlin accent: "Listen, it's not even like me!" Liebermann replied: "If it were, you wouldn't pay me the fee."

I've accepted the job of telling you how I joined Deutsche Bank. There are rumours and theories about this, but only one true story. I am speaking without notes, but I know that what I am saying is being recorded. It will be written down and then be available to all who wish to read it, most of them historians, who - as we heard from Mr. Feldman - attach great importance to such speeches because they will form part of a future archive.

How did I come to know Deutsche Bank? In Berlin there was an organisation called the Stempelvereinigung, the Association of Berlin Bankers and Banks. Its members were the five big banks and five leading private banks including Mendelssohn and Bleichröder, to name the most important ones, and also of course Delbruck Schickler & Co., the smallest of the five. I left Delbruck Schickler & Co., where I was partner, in 1937 in response to a call from Deutsche Bank. I will tell you in a moment how this came about. Naturally, I already knew Deutsche Bank from many meetings.

It was usual, for example, during the banking crisis for important figures like Georg Solmssen, Oscar Wassermann, Jacob Goldschmidt and all the other "leading lights" in that world to air their views on the crisis in a club. At that time people were already talking openly about the Reichsbank's failure to fulfill its important task of safeguarding the bank's liquidity.

This is a part of the story that I won't go into in detail because it has nothing - or almost nothing - to do with my joining Deutsche Bank.

The difficulties that emerged between 1930 and 1932 had hit many companies. At that time I was Einzelprokurist with Delbrück Schickler & Co., which meant that I had general power of attorney. They were reluctant to offer me a partnership, and after the banking crisis this could have been no surprise to someone leaving the bank or joining it, I would say. But I did have signatory power and five managing partners who also had sole signatory power, too. So in this respect I was in a special position.

Delbrück Schickler & Co. had taken over a substantial loan portfolio from Rhodius Koenigs Handel-Maatschappij, an Amsterdam company. It was better known for Franz Koenigs' art collecting than for its significance as a bank, but still it was an important institution. Rhodius Koenigs had no protection under the post-1931 standstill agreements: as a Dutch bank with loans in Germany and funding in America and England it was certainly affected but not protected. So they did something very clever – not without my help.

Delbrück Schickler & Co., with the borrower's consent, took over the loans and they then qualified for application of the German standstill agreement on foreign loans in England and America.

One day I received an invitation to a meeting from no less a man than Eduard Mosler, who played an important role on the Board of Managing Directors of Deutsche Bank and Disconto-Gesellschaft: he was the "Spokesman". The topic was the merger of Methner & Frahne and Kramsta, two Silesian textile companies in the linen industry. The restructuring of Methner & Frahne was to be discussed at the meeting with the company's creditors. They were not good for their total debt at that time, and so it was not enough simply to waive interest. The idea was to merge two companies and repay part of the loans with shares of the merged company. Methner & Frahne's creditor banks were there: Reichs-Kredit-Gesellschaft, Darmstädter und Nationalbank, Berliner Handels-Gesellschaft and Delbrück Schickler & Co. We had taken over these loans from Amsterdam, naturally with a guarantee from the seller, and we listened to what Mosler had to say about the restructuring.

The banks' representatives were inclined to accept Mosler's very eloquent report. I had a question and said: "Excuse me, you haven't said anything about Kramsta yet!" "That's not on the agenda, it only concerns us at Deutsche Bank." I said: "Have I understood you correctly? May I ask a question? We are to be paid with shares of the merged company. From what I know of Silesia, and I'm often there, Kramsta is actually in a worse state than Methner & Frahne. So you should tell us something about it." Mosler refused. The other banks' representatives agreed with Mosler's proposal on all points: write off part of the interest, accept some of the loans as shares of the merged company, and keep others going at lower interest rates. I said: "I'm sorry, but I cannot agree." Mosler replied: "Okay, I understand. You must consult your directors first. I'll wait for your written acceptance," The meeting was closed. Mosler asked me to stay behind.

He sat on the window-sill in the room where Stempelvereinigung meetings often took place. It was a small conference room, but big enough for this minor problem. Mosler was perched on

the window-sill swinging one of his legs back and forth. "Look here," I asked him, "my question will be answered, won't it?" "Mr. Abs", he said, "you negotiated as if we were having to buy the loans from you." I said: "Mr. Mosler, that hadn't even occurred to me!" Then he asked: "Where are you from? What's your job?" and so on, and tried to find out more about me. Three days later Otto Abshagen appeared. Clemens Plassmann once said of him: "That's the most famous banker because his name is a combination of Louis Hagen and Abs." He was head of Deutsche Bank's General Secretariat, and played a role when I subsequently joined the bank. Abshagen visited me to negotiate the purchase of the loans. We struck a bargain very quickly because he couldn't complete the merger without our agreement and with Methner& Frahne's other creditor banks being aware of it. In this way I got to know more about Deutsche Bank.

But I knew Deutsche Bank chiefly from the meetings of the Stempelvereinigung and the German standstill committee after the standstill was imposed in September 1931. Gustaf Schlieper was Chairman, Otto Jeidels from Berliner Handels-Gesellschaft his deputy. Private and local government borrowers were represented by Privy Counsellor Kastl from the Reichsverband der Deutschen Industrie (Federation of German Industry). These were the top people, the ones who had to negotiate abroad. Naturally, the meetings also revealed many private aspects of the companies which had been affected to varying degrees by the standstill, namely the banks.

On August 22, 1937, two days before Gustaf Schlieper died – I had meanwhile joined the Board of Directors of the Berlin Stock Exchange and become partner in Delbrück Schickler & Co. - I met Mosler at the Exchange. He didn't come every day, but this time he certainly had a reason for coming and he suggested that after close of business we should meet for lunch in a separate room (which he had already reserved) at Ewest's in Behrenstrasse. I arrived on time. He was already there and we sat down. As soon as we had been served and were alone in the room, he started to tell me that I was in fact the right man for the Board of Managing Directors of Deutsche Bank.

I had already had several offers from Deutsche Bank. At one point, I was supposed to take over the Essen Branch - that was Kimmich's idea - and then in 1932/33 -the year of the Heil- I was to join the bank as director to replace Eisner, head of the stock exchange department, who - as the name may suggest - was having difficulty holding on to this position. I was also known at the stock exchange because of the big Commerzbank reprivatisation deal, where about 80% of the bank's shares were owned by the Reich and the Gold Discount Bank. This transaction had caused a stir at the time. More about that later on. I wasn't a complete unknown, then, but I was told quite clearly how interesting it might be to join Berlin's most important institution. It is difficult to join Deutsche Bank and, once you're there, impossible to leave without opprobrium.

I listened to everything very attentively and said: "I'm very happy at Delbrück Schickler & Co. as partner, but this is a bigger institution and so important." I don't need to go into detail here: when you start to praise yourself, you're never short of things to say. I returned pensively to my office, as I was bound to silence on the offer and talked first to my partners. The next day we met once more in a backroom at Ewest's in Behrenstrasse. Our lunch was

again poor, but the subject of our conversation was more interesting. On this occasion Mosler said: "Mr. Abs, you will have the job of reorganizing Germany's foreign debt." This was a very great prediction for 1937, particularly because, as you know, it did not materialize until 1950.

There was something to be concluded from this. Since Mosler was approaching me while Schlieper was still alive, though nearing his end, he must have been afraid that Deutsche Bank would not be present at the standstill negotiations in London in October 1937. He must have spoken to Hjalmar Schacht, at that time President of the Reichsbank, and told him that Oswald Rösler was to be Schlieper's successor at the standstill negotiations. Now Rösler was well versed in all areas of foreign business, but he had a handicap. Apart from German - which he spoke well- he could speak no other language. Schacht must have told Mosler about the person he was considering. He boasted later on that the idea of bringing Abs on to Deutsche Bank's Board of Managing Directors came from him. This is pure supposition, so I must emphasize that none of it is historically verifiable.

On August 24, 1937 we received the news that Schlieper had died in the Bühlerhöhe Clinic. There was a funeral service in Deutsche Bank's famous Oak Hall, where Franz Urbig delivered an excellent oration in honour of Schlieper. It was the kind of speech that I would wish to have the privilege of hearing from such a personality as the funeral oration on my death.

Back to the meeting. When it came to an end, it was no coincidence that Otto Jeidels was waiting for me. He said: "I'll accompany you to Delbrück Schickler & Co." "No, no, Mr. Jeidels," I replied, "I can't allow that. I'll accompany you to Berliner Handels-Gesellschaft." So off we went, like two schoolboys who can't bear to part and walk to and for between their homes, because the subjects they are discussing - the blond or the brunette - are inexhaustible. On this occasion Jeidels, unaware of my conversation with Mosler, asked me to join Berliner Handels-Gesellschaft as partner and as his successor. He had very clear ideas. I was to stay on as partner at Delbrück Schickler & Co. It's sometimes useful, you know, to have a smaller bank close at hand for special deals or preferred clients. I could retain my personal liability at Delbrück, but naturally whatever I made there I was to hand over to Berliner Handels-Gesellschaft. My remuneration, however, was to be considerably more than what I could have expected at Delbrück Schickler & Co.

What did all this mean? Either Mosler wanted support for his proposal to appoint Rosier to the standstill committee, or Schacht had contacted Jeidels with a view to proposing me for the standstill committee, for the negotiations in London, in America, etc. Anyone who knows the Basle Agreement, covering debts of 31 billion Reichsmarks, including substantial items with long term character but subject to short-term arrangements, will be aware of its significance. So it was only natural that Schacht should claim to be responsible for my joining Deutsche Bank's Board of Managing Directors. For Deutsche Bank considered its chairmanship of and activity on the standstill committee in London, America, Paris and wherever negotiations took place, to be of essential importance for the bank's standing. I believe I'm not wrong when I say that Schacht bragged about me at a time when he still had a very good opinion of me, an opinion which I did not hold of him. He was a man with a selective memory he remembered

what he wanted to remember, and forgot what he wanted to forget. This is an infinitely difficult source for an historian to use.

I have just been given Deutsche Bank's Annual Report for 1937, and am looking at the agenda for the Annual General Meeting on April 6, 1938. Let myself. Item 4 on the agenda, following the amendment of the articles of association, was the "Resolution on retention of the Kattowitz Branch after expiry of the Geneva Convention on Upper Silesia dated May 15, 1922". We had a branch in Kattowitz. Its manager was Mr. Gdynia, a highly distinguished man whom I later appointed to the Board of Managing Directors of Kreditanstalt für Wiederaufbau, one of my little babies that grew up to become very important and big.

During the meeting I received an urgent dispatch from the Foreign Office saying: "Your item 4 'Resolution on retention of Kattowitz Branch', to be considered at the Annual General Meeting, must be deleted from the agenda. We instruct you most urgently not to renew the Kattowitz concession." What was I to do with the telegramme? Mosler was in the chair at the General Meeting, and how could I disturb him while he was accounting for the bank's activities? I put the telegramme in my pocket and the General Meeting resolved on the matter as planned. Afterwards I said to Mosler: "By the way, a telegramme arrived." "Good heavens, when?" "While you were speaking." "You should have told me immediately. That was well before we dealt with Item 4, the Kattowitz resolution." "Oh well, I don't think it matters. We just forgot it. You can't check when a telegramme arrives." He took this slightly amiss. But it does show how the Foreign Office was already having secret thoughts about Poland. We know the man who was then Foreign Minister; he was later hanged.

On September 8, 1937 I was appointed to the Board of Managing Directors of Deutsche Bank by the Supervisory Board, and was invited to the Board meeting at the beginning of October, before the General Meeting I just mentioned. The entire Board of Managing Directors was present and Mosler was in the chair. I already had responsibility, but did not take up office until January 2 because I could not terminate my partnership in the private firm before December 31, the usual balance sheet reporting date. The Board had to discuss the appointment of Mr. Ritter von Halt, one of the "noblest" men I ever met from the ranks of public figures in the Third Reich. He was extremely young at heart, which helped us through many difficulties. A fine gentleman! It had been suggested that we should appoint him to the Board of Managing Directors to replace Mr. Sippell as Betriebsführer (Personnel Director), as it was called in the Third Reich, who often had difficulties. That was the interesting thing about Deutsche Bank, and it didn't change with my appointment: there was not one Party member on the Board. The proposal was made and then all the members were consulted in turn. They all agreed, Mr. Kimmich, Mr. Mosler, Mr. Rösler, Mr. Rummel, Mr. Wintermantel, Mr. Sippell. I, as the youngest, was consulted last. I said: "I have a question. Would you propose him if he were not a Party member?" Before Mosler could answer, Kimmich said: "Of course not." I said: "Then I wouldn't appoint him." The result was that the resolution was not passed until the following spring, at the same time as the appointment of Johannes Kiehl, whom some of you, the older ones, will presumably remember. At the time, Johannes Kiehl was very much put out by my appointment because he headed a most important division. He was also a close friend of two very eminent members of our

Supervisory Board, namely Philipp Reemtsma and Wolfgang Reuter from Demag. So Ritter von Halt was not elected until the following spring.

After the meeting I returned deep in thought to my office at Delbrück Schickler & Co. A prepared resolution had not been passed because I had asked a question and one of the most eminent people on the Board, Mr. Kimmich, as Spokesman successor to Eduard Mosler, gave a spontaneous reply. I thought I was asking a harmless question: "Would you take him if he were not a member of the Party?" I didn't even know Ritter von Halt. My question had nothing to do with the man personally. And then the resolution was not passed? Was this the powerful Deutsche Bank?

You can see from this that the Party had a secret influence which was infinitely more difficult to exert in Berlin than, for example, in the provinces. There, the powerful regional Gauleiter often had more influence on what was or was not to happen. In Berlin there were more ways of influencing the development of public opinion. This is why one could prefer Berlin as capital today, because public opinion is emerging there again. In Bonn, which I know because I was born there, there is no public opinion. Or at least only among the local population who think that everything is in flux: people come, people go. Public opinion cannot be created just among civil servants attending the occasional cocktail party at the 116 embassies and representative offices of foreign powers - that was just an aside.

What more can I say? Perhaps a few words about Otto Jeidels. He had to leave Berliner Handels-Gesellschaft in 1938 and he found a desk, as we all know, at the Bank of America. But he was always homesick for Europe. He went to Switzerland and wrote me a letter: "I would like to meet two Germans, only two. One of them is Weltzien, the other is you." Hans Weltzien was one of the owners of Berliner Handels-Gesellschaft, and died in 1944.

Ladies and Gentlemen, I would like to thank you. I think I've done what I was supposed to do, which was to tell you how Abs joined Deutsche Bank. But perhaps I should add a few words about Franz Urbig. In January 1944, on his 80th birthday, we went to congratulate him. At the end, when the small circle of guests was breaking up, he said: "Abs, stay here." And then he said: "Mr. Abs, you have a mission. The war will soon be over, it will end with unconditional surrender. There is no other solution. The important thing then will be reconstruction. You will be asked to take over Ambassador positions in London or Paris, to do all kinds of important and significant things. You will be asked by a democratic government, which will have to be found, to join the government itself. You will hear about this and that, but you must turn everything down. You have only one job to do: to rebuild Deutsche Bank. This I ask of you, and if you are determined to do it you must tell me so today."

I left Berlin in the middle of April 1945, when it was really no longer possible to travel, after the Supervisory Board and Board of Managing Directors had resolved unanimously - as I had asked them to do - that I should go to Hamburg, where Erich Bechtolf was already waiting for the arrival of a second board member. The resolution alone had taken ten days, because they had all said that everybody else was better and that Abs ought to stay in Berlin. I had spoken to Ritter von Halt the night before and told him we should send someone acceptable to all. I proposed Mr. Sippell, who was then unfortunately shot by Russian soldiers in Berlin on

May 2, 1945. I said: "We can all agree on Sippell. We have a meeting tomorrow." At the meeting, Ritter von Halt proposed that Abs should be sent to Hamburg. At first this was not resolved, as there was no unanimous agreement. So I took him to ask: "Didn't we decide last night that Sippell should go to Hamburg. Why don't you do it?" "Well, the NSDAP cell, which was so powerful at the bank, was here and asked: 'How can you let Abs stay in Berlin? He is the only person who can lead discussions with the West and, if necessary, with the East, on rescuing the bank. You must let him go to Hamburg.'" That was my final remark. I mentioned this last point on the occasion of Deutsche Bank's 100th anniversary, as one or two of you may recall. I believe I took my commitment seriously and contributed to the rebuilding of Deutsche Bank with all the energy at my disposal. With the three-part solution I conceived and which covered not only Deutsche Bank, but also Commerzbank and Dresdner Bank, too, I laid the foundations for the reamalgamation of the three big banks after their split-up in the aftermath of the war.

Ladies and Gentlemen, I thank you.