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In the 1950s, there were copies of the oil painting (after Ludwig Knaus) of David Hansemann at all the important locations of Deutsche Bank.

»... but I consider wealth as a means only and not an end ...«

On the 150th anniversary of David Hansemann's death

David Hansemann died 150 years ago on 4 August, 1864 during a stay at the Schlangenbad spa in the Taunus hills. The entrepreneur, banker and politician was one of the leading figures of Rhineland Liberalism in the first half of the 19th century. The fact that his portrait graced a series of Reichsbank bank notes issued between 1929 and 1936, which featured figures responsible for significant achievements in various fields, is an indication of the extent and duration of his fame and reputation. Hansemann appeared on the 50-Reichsmark note.

As regards the history of Deutsche Bank he is known primarily as the founder of the Disconto-Gesellschaft. Established in 1851 in Berlin, it was for many years the leading German commercial bank. In 1929, it merged with its most important rival to become the »Deutsche Bank und Disconto-Gesellschaft«. Though in 1937 the name was simplified to »Deutsche Bank«, even in the 1950s David Hansemann, alongside Georg von Siemens, the first Chairman of the Management Board of Deutsche Bank, was still playing a decisive role in cultivating the bank's tradition. By way of example, he gave his name to the David Hansemann Haus, the building housing the Zentrum für die betriebliche Fortbildung (Centre for In-Firm Training), which opened in Düsseldorf in 1954, and did not close until the mid-1990s.

Nowadays David Hansemann has largely been forgotten, both within Deutsche Bank, and also among the wider public. On the occasion of the 150th anniversary of his death, the Historical Association would like to remind people of the man who was so important for the industrialisation and financing of Germany.



German banknote from 1933 featuring the portrait of David Hansemann.



Fanny Fremerey (1801-1876), daughter of a wool merchant from Eupen, married David Hansemann in 1821.

The Wool Trade as a »Springboard«

David Hansemann was born the youngest of eleven children on 12 July, 1790 on Finkenwerder, at the time an island in the River Elbe near Hamburg, to a pastor's family. Unlike three of his brothers he did not go to university, but instead completed commercial training.

At the age of 14, David Hansemann left his home to gather some initial business experience as an apprentice in Rheda on the southern periphery of the Teutoburg forest. As his brother Karl tutored the children of Count Bentheim-Tecklenburg in Rheda, David also received instruction from Karl every morning in the castle between 4 and 6 o'clock, prior to the latter teaching the count's children as of 6 a.m.

In 1809, after five years, David Hansemann looked for a new position. He worked as a clerk and commercial traveller for the textile and wool factory I. H. Elbers in Monschau in the Eifel region, and then for the firm H. Eller u. Orth in Elberfeld. On his travels he was able to cultivate a close network of business contacts. In 1817 he took the bold step of setting up on his own, and opened a wholesale wool business in Aachen. The capital of 1,000 thalers came from his own savings. Business went well and turnover rose from year to year. This financial security meant that in 1821 he was able to marry Fanny Fremerey, with whom he had four daughters and two sons.

Fire insurance

However trading in wool, red dye from the madder plant root, oil and dyeing woods was not Hansemann's sole business activity. In 1824-25 he established the »Aachener Feuer-Versicherungs-Gesellschaft« as a stock corporation. It was the fourth of its kind in Germany. In Prussia at the time, anyone wishing to set up a stock corporation could only reckon with approval if they could prove its benefit to the public. This was certainly the case for a fire insurance firm, but Hansemann went one step further. In his opinion half of the expected profit would offer the shareholders a good return and consequently it was stipulated in the Articles of Association of the »Aachener Feuer-Versicherungs-Gesellschaft« that the other half of the profit should benefit public workhouses or impoverished children. Here, too, business developed excellently and as early as 1834 the insurance firm was able to gain a foothold in Bavaria and was renamed »Aachener und Münchener Feuer-Versicherungs-Gesellschaft«. As part of his commitment to social welfare, David Hansemann at the same time set up the »Aachener Verein zur Beförderung der Arbeitsamkeit« (Aachen Association for the Promote of Industriousness). Later, health insurance companies offering premiums, as well as savings banks were affiliated to the association, a favourite of Hansemann, and day nurseries and evening and Sunday schools created. In 1870 the association contributed to the founding of the Technische Hochschule in Aachen by awarding annual categorical grants.

Railway system

Alongside financial innovations such as fire insurance by private limited liability firms, Hansemann's name is also associated with the expansion of one of the most important technical innovations of the 19th century. Together with Friedrich Harkort and Friedrich List he became a staunch supporter of the rapid development of the railway system.



In 1888, a monument to David Hansemann by the sculptor Heinz Hoffmeister was installed on Hansemannplatz, the square in Aachen that had been named after him four years previously.

Hansemann's involvement in expanding the railway network began with the planned railway line from Cologne to Antwerp. The initial intention was for it to bypass Aachen, and was only after tough negotiations that Hansemann managed to have the track laid via Düren and Aachen. In 1835, the railway company Rheinische Eisenbahngesellschaft was founded, of which he was president until a conflict in 1843 with Abraham Oppenheim, the head of the Cologne banking house Sal. Oppenheim. After he left Rheinische Eisenbahngesellschaft he applied himself in the railway firm Köln-Mindener Eisenbahn-Gesellschaft to realizing the connection between the Rhineland and Berlin. In 1847, with the route now leading from Cologne to Hanover, where it met up with the already completed track connecting Hanover with Berlin, this aim had been achieved. This was the first time Hansemann procured the capital for a project by cultivating business connections with well-known Cologne bankers.

Entry into politics

Following the wars with a revolutionary France, from 1749 the left bank of the Rhine had become French for twenty years, which had influenced the political and commercial thinking of this area's population. The ideas of freedom of choice of occupation, local self administration and a constitutional system of government found many supporters amongst the middle classes of towns such as Aachen and Cologne. However, such liberal views stood in contradiction with the feudal, corporate state of Prussia, to which the Rhineland had fallen following the new ordering of Europe in 1814-15. David Hansemann was one of the most committed of these Rhineland Liberals. Thanks to this prosperous commission business, which relieved him of financial worries, Hansemann was able to enter the field of politics at a young age. By way of example, from 1825 he was several times made a member of Aachen's Chamber of Commerce and Trade and its commercial court, and in 1828 was elected to Aachen's local council. He also began to get involved in politics beyond the town's borders. In 1831 he was elected to the Rhineland provincial parliament, but was rejected by the government as he was unable to fulfil the requirement of having owned land for ten years. From 1823 on, every Prussian province had a parliament, which was however comprised of corporate representatives, and whose powers were very limited. It was not until 1845 that Hansemann became a member of the provincial parliament convening in Koblenz, in which among other things he spoke out for the removal of privileges for the nobility and equal rights for the Jews.

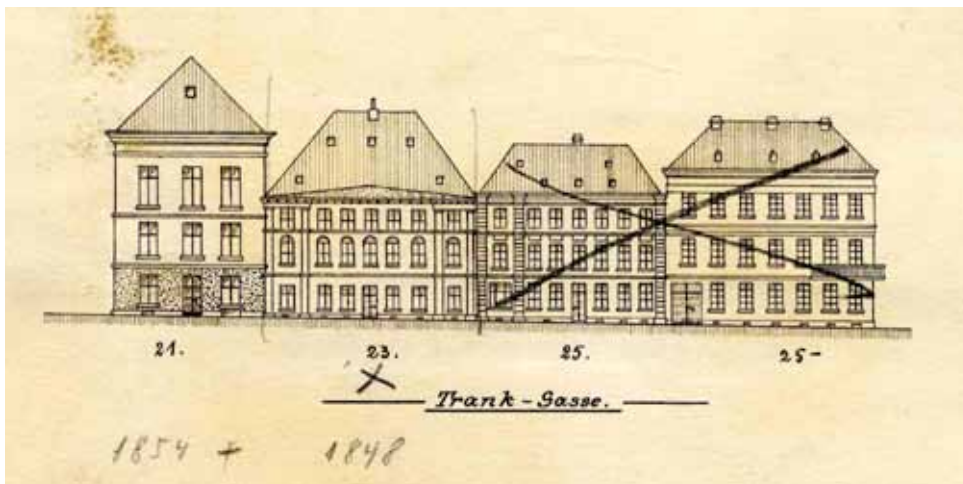
»Business is business«

When, in the spring of 1847, King Friedrich Wilhelm IV surprised everyone by summoning all provincial assemblies to form a United Parliament in Berlin, Hansemann was one of the members of parliament. While many critics felt this step did not go far enough, and called for a boycott of the Vereinigter Landtag, it was primarily the Rhineland delegates headed by Hansemann who argued that the United Parliament could serve to develop a functioning parliament. The Rhineland representatives, who included Ludolf Camphausen and Gustav Mevissen, also dominated the negotiations of the Landtag. Hansemann spoke in particular on financial and budgetary matters. On 8 June, 1847, for example, he took part in the debate on financing the Prussian

Ostbahn railway. While Prussia wanted to secure the financing through a loan, Hansemann criticised the imprecision and incompleteness of the government presentation, and submitted a motion to finance the Ostbahn from the Treasury's liquid funds. He ultimately retracted his proposal and voted in favour of the loan being rejected. It is from his speech justifying this decision that his famous remark comes which quickly became a standard quotation: »But it must be the first rule of a corporative assembly, when financial matters are at stake, to be very exact about things. Business is business (general amusement in the assembly), we must be ruled by reason alone.«

Prussian Finance Minister and the rescue of Schaaffhausen bank

When in March 1848 the revolutionary movement spread from France to the German states and also Berlin, a second United Parliament was convened and a new cabinet was appointed, which for the first time in Prussian history also included commoners. Camphausen became Prime Minister and Hansemann Finance Minister. One of the amusing anecdotes that is told about Hansemann is that he entered the ministry alone, looking very un-minister-like carrying no more than a cigar case, and that he appeared rather suspicious to the doorman.



Drawing of the street Trank-Gasse in Cologne. The banking house Abraham Schaaffhausen was located at no. 23 and 25. For over a decade the houses also served as the business premises of the A. Schaaffhausen'schen Bankverein created from it in 1848. (HADB, K2/1608)

In his new position Hansemann immediately faced an impending bank and credit crisis. Turbulent political events were not without consequences for the economy, confidence was eroded, money circulation and private loans caved in. When the Cologne bank Abraham Schaaffhausen, one of the top addresses for industrial financing in Rhineland, stopped payments it was surprisingly enough the Liberal-led Prussian government that decided to launch a rescue operation. The private firm was turned into a stock corporation, for which the government undertook to take over the guarantee for some of its accounts payable. Gustav Mevissen became a member of management of the new A. Schaaffhausen'schen Bankverein, the first joint-stock bank in Prussia. This unusual step was taken to prevent the bank's borrowers and creditors themselves getting into financial difficulties. The rescue plan succeeded: In 1857 the government guarantee could be discontinued.



David Hansemann's Portrait as head of Preußische Bank around 1850.

With Camphausen having resigned, discouraged, in June 1848 David Hansemann was entrusted with forming a new cabinet. The new Prime Minister was Rudolf von Auerswald who, though he came from the old nobility, sympathised with the moderate Liberals. Hansemann was appointed Finance Minister again. His priorities were to continue constitutional reform and put state finances in good order. But he was not given much time for it. In September 1848 the Conservative powers in Prussia gained the upper hand again. The Liberal cabinet was dissolved. Hansemann's short career as a Finance Minister ended after just nine months.

Head of Preußische Bank

Even though Hansemann had not enjoyed success as a politician, his expertise as a financial expert was in demand again under the new government. In 1848 he was appointed head of the Preußische Bank. The central bank of the Prussian state had only been founded the year before. This position enabled him to continue the attempts at reform made by the banking and loan system in Prussia, in particular in favour of the commercial middle classes. However, given the restoration of the »old order« in Prussia, this was an undertaking that found the support neither of the Conservatives nor of the Liberals. While private bankers Berend, Gelpcke, Magnus and Mendelssohn were granted government permission to convert the Berliner Kassenverein into a stock corporation authorized to issue notes, similar endeavours in towns lacking important private bankers were rejected. Hansemann opposed this policy and in May 1849 proposed the establishment of a Berlin credit society modelled on the Union de Crédit that had operated in Brussels since 1848, which as a »cooperative stock bank« was not so much to cater to the interests of large private banking institutes, but more those of the »middle and small merchant classes and tradesmen« in Berlin.

The Prussian government, however, decided in favour of the Berlin private bankers, whose bank, the Berliner Kassenverein was chartered in April 1850, and continued to reject Hansemann's proposal even in a modified version. The conflict between the Trade Secretary and the head of Preußische Bank ended in April 1851 with Hansemann's resignation. Disillusioned by his experience he noted: »Generally speaking the best proposals fail because of the ignorance of higher officials or their aversion to proposals, which are not made by officials they consider their equals but by business people.«

Founding of Disconto-Gesellschaft

Even though as head of Preußische Bank Hansemann's initiatives had failed due to resistance on the part of the authorities, in the role of a private business man, to which like many Liberals he had returned in the revolution year of 1848, he did not abandon his idea of a credit institution. The idea was to find a legal structure that could operate without the need for rights of corporation from the government. As early as May 1851 Hansemann presented a »plan to convert Berliner Kreditgesellschaft into a trading company while remaining for the purposes of public benefit«. The legal structure of a simple trading company had the advantage that a firm established in this manner did not require a concession. On 2 June, 1851, the General Assembly of Berliner Kreditgesellschaft resolved to follow Hansemann's plan, and four days later



The first premises of Disconto-Gesellschaft in Kleine Präsidentenstraße in Berlin, where the bank was housed until 1858.

the new Articles of Association, the birth certificate of the firm »Direction der Disconto-Gesellschaft« were signed. The members of the Disconto-Gesellschaft were made up of two groups – the owners and the sleeping partners. The owners alone represented it in public and consequently as far as the authorities were concerned, and because they were private business men they were only subject to the general civil regulations. They were fully liable for the firm. The sleeping partners were exempt from being held liable by third parties, they only appeared within the firm through their taking over a redeemable share of the business, whose upper limit was 10,000 thalers and whose lower limit was 200 thalers of which only 10 percent had to be paid in cash. The bodies of the firm were the “Direction” (management) composed of the owners, the Administrative Board consisting of representatives of the sleeping partners, and the General Assembly, with all members owing shares worth 1,000 thalers upwards being entitled to vote. For the shareholders, mostly Berlin businessmen and workmen, it was particularly interesting that this partnership also included the right of discounted bills from Disconto-Gesellschaft to the full amount of the share in the business. The bank only awarded the loan on the basis of bills of exchange being discounted, a principle that is already indicated in the name »Disconto-Gesellschaft«.

On 15 October, 1851 the new bank began operations. It initially operated as a purely local bank, whose activity was limited to the circle of its 236 members. The objective of the company, described by Hanseemann in 1852 in his document »Das Wesen der Disconto-Gesellschaft in Berlin und ihre Benutzung« (The Nature of the Disconto-Gesellschaft in Berlin and its Use) was »to support those engaged in small-scale trade by granting them credits [...]«. He had in mind as his model the »bankers in the large cities of the Rhine province«, whose arranging of the necessary credit were »one of the reasons for the considerable increase of industry there and in neighbouring Westphalia«. The lack of these bankers in Berlin »contributed immensely to the excellent reception Disconto-Gesellschaft is experiencing here«. However, the development of Disconto-Gesellschaft could not be compared with that of the banks in the Rhineland province. The Crimean War, which began in 1853, and its economic repercussions made the bank extremely cautious. Initially, Disconto-Gesellschaft was unable to become involved in the industry and railway business that had been increasingly invested in since the 1840s. The borrowing requirements far exceeded the volume of such firms; and longer-term investments were necessary, which did not promise immediate returns. To this end, in 1853 the Cologne bankers Gustav Mevissen, Abraham Oppenheim, Wilhelm Ludwig Deichmann and Victor Wendelstadt founded the Bank für Handel und Industrie in Darmstadt. Like its model, the French Crédit Mobilier, the bank had the legal structure of a stock corporation, whose higher capitalisation was more conducive to longer-term investments than could be furnished by a private bank.



In 1856 Disconto-Gesellschaft acquired the duplex at Behrenstraße 43-44 and had it converted for its use. The image shows the new facade designed by Friedrich Hitzig in 1868.

David Hanseemann, whom Mevissen had in vain approached to become Director of Bank für Handel und Industrie, also recognised that industry and the railway business could not be operated with a Disconto-Gesellschaft with a cooperative structure. Accordingly, he began to alter its business model and legal structure. At the General Assembly held on 28 April 1855



Limited partner's share certificate of Disconto-Gesellschaft from 1856 worth 200 thalers.

it was decided that in future loans would not only be awarded on the basis of bills of exchange, but also on the basis of bank annuities and shares. Simultaneously, the maximum amount of company shares, which was initially only 10,000 thalers was raised to 60,000 thalers. In a second step, executed at the General Assembly on 9 January, 1856, it was resolved to convert Disconto-Gesellschaft into a private limited partnership based on shares. It received limited liability capital of 10 million thalers, issued in shares of 200 thalers. The legal structure of a private limited partnership based on shares that Hansemann selected exploited a loophole in Prussian legislation. Whereas stock corporations needed a concession from the government, private limited partnerships needed no such concessions, which were awarded only in a few cases.

Shortly after the conversion of Disconto-Gesellschaft the first change was made in its management. David Hansemann, who had been its sole owner since it was founded was joined in 1857 by his son Adolph Hansemann. The latter was to manage the fortunes of the bank for almost 50 years until 1903, and make it one of the leaders in the German credit business.

Disconto-Gesellschaft was converted shortly before the onset of the severe economic crisis of 1857, which culminated in a long-lasting phase of recession. Many

a bank that had recently been established disappeared again. Thanks to its sound and cautious business policy, for which the bank was soon proverbial, Disconto-Gesellschaft survived almost unscathed. It also succeeded in entering the important sovereign loan business in 1859, when the second Italian war of independence had reached a climax and Prussia had decided to mobilise troops. Leading the bank syndicate that included Berlin's top banks, Disconto-Gesellschaft assumed a mobilisation bond of over 5 million thalers. This also marked the start of the so-called Prussian bank syndicate, which was frequently involved in issuing Prussian and German Reich bonds.

Political Legacy

Disconto-Gesellschaft, which for a long time was considered the leading institution among major Berlin banks, doubtless marked the culmination of David Hansemann's life's work. Thanks to its merger in 1929 with Deutsche Bank it continues to exist in the joint enterprise, even though its name disappeared from the bank's appellation in 1937. Another of Hansemann's creations, the Aachener Feuerversicherungs-Gesellschaft, has survived successfully in the insurance business until today in the »AachenMünchener« group of firms. Despite these lasting achievements, only specialists are nowadays familiar with Hansemann. Had he been the pioneer not of the modern, but abstract banking and insurance business, but rather an entrepreneur and inventor such as Werner von Siemens or Carl Benz, his would now be a household name. But precisely because as an entrepreneur Hansemann not only championed



Adolph von Hansemann (1826-1903, ennobled in 1872) joined Disconto-Gesellschaft in 1857.



Employees who had worked 25 years for Disconto-Gesellschaft were awarded the David Hanseemann Medal. Following the merger with Deutsche Bank the former employees of Disconto-Gesellschaft were called »Hansemänner«.

liberalised markets and professions, and capital procurement through stock corporations, but also as a politician called for the constitutional rule of law, in which as many citizens as possible should participate, it is worthwhile recalling the path his life took. Like hardly any other representative of Rhineland Liberalism Hanseemann represented the political entrepreneur, who formed an important counterweight in predominantly Conservative Prussia shaped east of the River Elbe. Unlike Germany's Western neighbours, whose political thinking strongly influenced Hanseemann, in Prussia, in particular the bourgeois economic elite could not participate long term in the political power. The government formed by Rhineland Liberals in Berlin remained a brief interlude lasting just a few months in 1848. It was not long before the traditional Prussian elite held the reins firmly again. Like many bourgeois Liberals of the day, for a long time Hanseemann's activities remained restricted to business. And when they were ousted they left a noticeable gap in Germany's political culture for years to come.

With regard to his personal motivation to become involved in public affairs, and his political beliefs, Hanseemann wrote in 1839 to his friend:

» ...if I am involved in matters of public interest ... it is for the cause and not in order to win. I work in many public matters conscious of the extent of the sacrifice that I make in terms of time and effort, and fully appreciate that were I to apply this time and effort to my business dealings my fortune would probably be double the size. Surely, many will consequently regard me as foolish, but I consider wealth as a means only and not an end, which represents for me independence, peace of mind for my lifetime and the ability to give my children a good education, and moreover to spend money on useful things. ... It is the fact that I am not a paid civil servant, but rather a business man and never seek my advantage in public matters, this is what creates the standing I have and ennobles my work ...«

Happy is a country that has such politicians. ««

1909 German champions

Emil Oberle was a long-time employee of Deutsche Bank in Istanbul. He was born 1889 in Karlsruhe where he also took his school leaving exams, did his military service and presumably his bank apprenticeship. In Oberle's younger years Karlsruhe was a centre of football, a sport still young to Germany. Oberle was also a great fan of football, and at the age of 18 joined the first team of FC Phönix, the club that preceded today's Karlsruher SC. With Oberle as left wing forward in 1909 Phönix won the German football league championship playing in the final against Victoria Berlin. That same year he was selected for the national team for the first time. On 4 April, 1909 Germany played (in his native town of Karlsruhe) against Switzerland, and won 1:0. It was the first victory in the sixth international match by the German team. In the two subsequent years he was not picked for the national team. Oberle would play another four times for his nation, each time in 1912. He played twice at the Olympic Games in Stockholm. He scored his only goal in an international in the 16:0 win against Russia, to date the team's biggest win. After completing his military service in 1911-12 as a so-called one-year volunteer in the Badische Leib-Grenadier Regiment 109, he felt the need to travel – a move that was customary even then to gain experience in international business. He joined a German firm in Istanbul. It can no longer be determined today whether he worked for the Deutsche Bank, which had opened a branch in Istanbul in 1909, or for the Anatolische Eisenbahn-Gesellschaft (Anatolian Railway Company) which was closely affiliated to the bank. What is certain, though, is that he continued to play football successfully in Istanbul. Together with his brother Josef Oberle he joined Galatasaray Istanbul, a club that had been founded just a few years earlier by students at Galatasaray high school. In a game against the local rival Fenerbahçe in 1913, Emil Oberle scored a hat-trick.

Emil Oberle (front row, 2nd from right) with the Karlsruhe championship team of 1909.
(© KSC)



At the latest in 1923 Emil Oberle started working for Deutsche Bank. For years he headed the deposits section at the branch in Galata, the Istanbul district, where above all foreign travellers were looked after. In 1930 he was appointed Authorised Officer of the Istanbul branch, and subsequently for several years he joined the management of Deutsch-Bulgarische Kreditbank in Sofia, a subsidiary of Deutsche Bank. In May 1936 his assignment there ended. The German ambassador in Sofia described Oberle as a »tactful and pleasant man« and conveyed to Gustaf Schlieper, the member of the Deutsche Bank Management Board responsible for foreign business, that "Oberle has secured an excellent and highly respected position here, that also extends beyond German circles, which I was able to confirm anew recently, when he attended a party of mine one evening and Bulgarians talked to me about him. Allow me to add that I shall also miss him myself«. Oberle returned to Istanbul. Until the closure of the branch in August 1944, he was Deputy Director. His work involved him with the gold trade, which the Istanbul branch had organised since 1942. He accompanied in person at least one of the transports that went from Vienna via Sofia to Istanbul. In 1999, these gold transactions were the subject of a detailed study by the Historical Commission Appointed to Examine the History of Deutsche Bank in the Period of National Socialism. Following the closure of the branch, Oberle and his two directors were imprisoned by the Turkish authorities in 1944, after Turkey entered the war against Germany. However, they were treated very well and were allowed to move about freely at times. It was not until 1954 that the bank opened a new representative office in Istanbul. Oberle, who had meanwhile reached retirement age, did not work there. He died in 1955 during a visit to Karlsruhe.

Created in 1930: The Galata branch of the Istanbul area office. Following the rules of Turkish phonetics the word »Deutsche« was written »Doyçe«. (© Ullstein Bild)

