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Urban A. Lester

Richard N. Bagenslos

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BOOK REVIEW

THE CRIME AND PUNISHMENT OF I.G. FARBEN. By Joseph Borkin.† New York: The Free Press. 1978. Pp 250.

Reviewed by Urban A. Lester and Richard N. Bagenstos***

Anyone who reads this book will likely be faced with a dual temptation: to view the story of I.G. Farben as a modern allegory of the battle between good and evil; or, imagining oneself in the situation of the I.G. executives, to overemphasize the complexities of the problems which they faced, and therefore to lose sight of the importance of moral choice. The story of I.G. Farben can be seen as one whose moral is the evil of unrestrained corporate power. This is, after all, the company which produced the first poison gas used in World War I, which made synthetic rubber with the labor of starving concentration camp inmates, and which made the gas which killed those inmates when they were too weak to work any longer. And yet . . .

And yet it was an organization of many Nobel Prize winners, of men who attacked scientific and corporate problems with energy and creativity, who considered themselves patriots, who at least in some cases tried to blunt Hitler's anti-semitic madness, and who were faced with complex problems requiring decisions which, individually, may not have appeared so much immoral or unethical as simply necessary. Who can say with certainty that he would have acted more uprightly, more courageously, in the same circumstances? Who, perhaps, can even assert that he would have

† Mr. Borkin was the chief of the Patent and Cartel Section of the Antitrust Division of the Department of Justice from 1938 to 1946, and was responsible for the wartime investigation and prosecution of the I.G.-dominated cartels. He has since maintained a private law practice in Washington, D.C. Mr. Borkin is the author of numerous books and articles, the chairman of the Federal Bar Association's Committee on Standards of Judicial Behavior, and a lecturer at the Catholic University Law School. He is also a Director of the Drew Pearson Foundation.

* *Associate Professor, Catholic University Law School. B.A., 1954; J.D., 1959, Catholic University of America.*

** Mr. Bagenstos is in private practice in Washington, D.C. B.A., 1961, State University of Iowa; M.A., 1963, Columbia University; M.Ed., 1966, University of Pittsburgh; J.D., 1975, Georgetown University.

clearly recognized, as we can with the clarity of hindsight, the circumstances for what they were? Borkin documents only one man in the I.G. leadership who saw with clarity and acted with courage within the realm of what was possible for him. That man withdrew defeated. He suffered severe depression and an early death for his efforts.¹

The author leaves no doubt about what he believes is the proper attitude. He is outraged, and has been outraged for years, studying I.G. Farben. Yet he fairly shows the complexity of the problems—technical, corporate and moral—the men of I.G. Farben faced, as well as the motives, both elevated and mundane, venal and unselfish, which compelled them. The problems were made even more complex by the duality of the I.G. experience; the company's history ranges from dyestuffs to death camps, from Bayer aspirin to bombs, from synthetic fertilizer to poison gas.

The story of I.G. Farben began with the application of chemistry to produce the first synthetic dye from coal tar to replace the sole source, Chinese indigo. I.G.'s growth spans the twentieth century, with the development of the chemical industry *interessen gemeinschaft*² in the century's early years, through the international conglomerate of the Hitler years. The author argues, though with limited evidence, that the final conclusion of that story is yet to be written.³

A constant thread runs throughout the firm's history—isolating a need, and then fulfilling that need in imaginative, aggressive and daring fashion—no matter whether the need be for increased agricultural production, freedom from dependence on foreign sources of raw materials, the hiding of overseas assets, or a more dependable and efficient system of extracting labor from the inmates of an Auschwitz concentration camp. The positive achievements of the *interessen gemeinschaft* were many, including synthetic dyes, aspirin, novocain, methadone, Atabrine, and synthetic nitrates for both fertilizer and gunpower, to name just a few. I.G. scientists and

1. Carl Bosch. See note 7 *infra*.

2. Literally "community of interest," though this term in no way comes close to revealing the complexity of the corporate business forms employed by the company throughout the world.

3. The author details how large blocks of stock in the German firm, as well as American patents, were held by Dutch and Swiss shell corporations, controlled by non-Germans with close ties to I.G. Farben. These shell corporations were sufficiently purged of obvious I.G. control after World War II that Allied authorities allowed control to pass to their hands. However, as Allied control over Germany loosened because of the growing enmity between the western allies and the Soviet Union, former I.G. officials assumed positions of importance in the supposedly "purged" corporations. The names may have changed, but Borkin argues the reality is substantially the same.

engineers received the Nobel Prize for, among others, the synthesis of ammonia and the development of Salvarsan, the cure for syphilis.

I.G. experienced its first brush with the German General Staff just prior to World War I. Germany was essentially a resource dependent nation, completely reliant upon Chile for nitrates, essential in the manufacture of explosives. Incredibly, the German army high command had made no provision for the continued supply of nitrates in the event that the ocean route to Chile was severed, as the British Navy was to do early in the war. So convinced was the General Staff that the war would quickly result in decisive victory for the Germans that, with few exceptions, they believed reserves of materials such as gun powder were unnecessary.⁴ Unexpectedly stiff resistance from the French and others, however, transformed the war of movement into a war of attrition, in which generals on both sides gambled with, and lost, the lives of hundreds of thousands of men to contest yards of ground.

Into the strategic gap created by the equality of offensive and defensive terror of the adversaries appeared I.G. Farben. Using chemicals formulated in the production of dyes, I.G.'s scientists, working in great secrecy, developed the first poison gas to be used in the war.⁵ It was through the efforts of the I.G. companies, amply rewarded by a grateful government, that Germany was able to survive as long as she did before being defeated by the sheer weight of her enemies. The synthetic nitrates used for the production of fertilizers helped postpone starvation in spite of the British blockade, and explosives produced with the use of the synthetic nitrates guaranteed the continuation of German firepower to the end.

Between the wars, I.G. expanded considerably in the international sphere, having learned that disinterested patriotism is not necessarily good

4. Walther von Rathenau was a respected industrialist and intellectual during the first World War and after. Against the conventional wisdom of almost all of the General Staff, he urged a program for the development of synthetics as alternatives to the natural raw materials Germany lacked. Von Rathenau, a Jew, was later among that group of democratic politicians excoriated by the Nazis as the November Criminals for signing the Armistice. Yet in terms of preparedness for the war, at least, the General Staff was shortsighted and negligent, while Rathenau provided a real service to his nation.

5. That poison gas did not provide the decisive weight to bring about a German victory is not the responsibility of I.G. Farben, according to Borkin. So convinced were the I.G. scientists of the importance and potentially devastating effects of the gas that they urged Germany's military leaders to provide large military forces to plunge forward behind the gas. On the day of the experiment, a hole of dead and dying Entente troops upwards of four miles wide was ripped in the line by the effects of the surprise gas attack. The military command had sent little more than an observation force, however, and no follow-up was possible. The French and British quickly responded with gas masks and gas of their own, and Germany's position of potential dominance turned once more to stalemate.

for business. In the course of the period, I.G. set up cartel agreements with Standard Oil concerning the development of synthetic rubber and synthetic fuels. While Standard received licenses to use I.G. patents on these processes, somehow the necessary know-how was never forthcoming, though the Standard officials involved in the deals continued to believe with perfect faith that it would be. Yet Standard provided needed financing for I.G. development and growth, and facilitated the sale of tetraethyl lead to Germany, at a crucial time prior to the opening of the war when supplies were low. Without these supplies, Luftwaffe stores of aviation gasoline in the early days of the war would have been dangerously low.⁶

The story of I.G.'s international corporate strategy, of which the Standard Oil incidents make up only one chapter, is a fascinating one as told by the author. Through the creative use of cartels, *interessen gemeinschaften*, holding companies, shell corporations, and other arrangements, I.G. was able to extend its authority far outside the borders of Germany. The effects of this extension were both to aid in furthering the aims of German foreign and domestic policy under the Nazis, and to help insulate I.G. from the effects of a possible German defeat in the upcoming war. That these efforts were successful is indicated by the present-day German chemical industry, more vigorous and powerful than I.G. Farben at its height, and controlled by many of the same individuals.

Yet this consummate example of self-interested German patriotism was not destined to ride smoothly the wave of virulent nationalism that climaxed with the Nazi victory over Weimar Germany's shaky constitutional democracy. I.G. numbered many Jews among its officials, directors and scientists. In fact Nazi newspapers caricatured the company as "Isidore G. Farber," and made it the target of anti-semitic attack. The breach was healed, however, in 1937, when the company was "Nazified" through the dismissal of its Jewish element. Hitler, assured of I.G.'s newly Aryan character, gave strong support to the program to end dependence upon foreign sources of supply for strategic raw materials such as rubber, nitrates and petroleum which had been ignored until too late in World War I.⁷

6. The Standard officials dealing with I.G. were severely misled, and a number of the highest echelons were forced out by angry shareholders. The U.S. government also became involved, particularly after Nazi Germany declared war on the U.S. following the Japanese attack on Pearl Harbor. The whole relationship was a triumph of corporate strategy for I.G., and a business and public relations disaster for Standard, which turned over patents and know-how for one form of synthetic rubber to I.G. in the vain hope of getting reciprocity. Standard was involved in litigation, ultimately unsuccessful, until years after the war's end, attempting to have its right to the patents recognized.

7. Carl Bosch, Nobel Prize winner for synthesizing gasoline and saltpeter, and the man perhaps most responsible for the stunning growth of I.G. in the World War I and inter-war

Hitler, through his trusted *Reichsmarschall*, Hermann Goering, vigorously supported I.G.'s research toward the development of synthetic rubber and synthetic gasoline. Overcoming its initial half-hearted opposition to Nazi aims, I.G., for its part, became an enthusiastic booster of Hitler's foreign and military policy. This support resulted in great dividends, both at home, through massive government contracts for various synthetics, and in the newly conquered territories, through Nazi government-supported takeovers of local chemical industries in both eastern and western Europe. With its customary zeal and creativity, I.G. set about solving the raw materials problems of the Nazi German war effort as it had done in the past. Needing to establish a large new synthetic rubber plant, and having a choice of sites in either Norway or Auschwitz, I.G. chose Auschwitz, for its large supply of cheap labor from among the inmates.⁸

The book is noteworthy in its construction and manner of presentation. With the facility of one who has spent forty years investigating I.G. Farben, the author leads the reader from the exciting chemical breakthrough of the early years, through the maze of corporate camouflage, to the post-war rebirth of the German chemical industry. What is extremely unusual, however, is the success with which Mr. Borkin has assimilated his data and produced a narrative which is informed, but not burdened, by detail. The reader is frequently drawn to the footnotes by the compelling nature of the story. The prose style is reminiscent of the best of American fiction: allusive, but characterized by clarity and economy. It is narrative compelling in both style and substance.

In addition to the narrative of the growth of I.G., the book presents a message regarding the danger of corporate power unchecked either by moral scruple or a countervailing political or economic power. This dan-

period, attempted, through direct intervention with Hitler, to stop this anti-semitic excess. Hitler, enraged, refused ever to speak to him again. Bosch was soon eased out of his position of authority with I.G. Convinced his scientific discoveries had eased Hitler's path, Bosch became susceptible of ever more frequent depressions, and died in 1940.

8. Auschwitz was a great workshop of demonic I.G. creativity. The poison gas, Zyklon B, used in the Birkenau section of the Auschwitz camp to kill those inmates selected for extermination, was an I.G. pesticide with the warning odor removed. Also, when I.G. became dissatisfied with the labor provided by the camp because security required moving the prisoners only in daylight thus limiting the length of the work day, the company established its own concentration camp. The motive was not better treatment of the inmates, but rather more efficient use of the raw material labor. Even the S.S. determined that the hospital facilities in I.G. Auschwitz were inadequate, but the company refused, for reasons of cost, to expand the facility. The diet for I.G. Auschwitz workers was scientifically calculated to allow them to live on the fat in their own bodies for three months before becoming too weak to work and being sent to Birkenau for final disposal.

ger was well-stated by President Eisenhower in his Farewell Address to the Nation, quoted by the author at the beginning of the book:

In the councils of Government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties of democratic processes.