

Hermann Abs; Obituary

The Times [London (UK)] 11 Feb 1994.

Abstract (summary)

Abs spent his last years as a patron of the arts, helping to fund Beethoven's birthplace in Bonn and collecting French impressionist paintings. Married with two children, he repeatedly made jokes about his advanced age and stressed he had no fear of death. At a dinner held in his honour a speaker told a story of Abs arriving in heaven and being commissioned to put order in the chaotic celestial finances. After three days Abs had drawn up his restructuring plan but it was rejected. Archangel Gabriel explained: "Unfortunately God was not prepared to settle for the deputy chairmanship of Heaven plc." Abs, hearing the familiar joke, laughed and clapped.

Of all his many financial and industrial associations, it was the Deutsche Bank link that proved most enduring. When Berlin was captured in the spring of 1945, Abs escaped to Hamburg in a commandeered lorry taking with him thousands of Deutsche Bank files. In the postwar years the big German banks were closed down since they were regarded by some Allied officers as a malign political influence, a contributory factor in the rise of Hitler. But Abs remained committed to the principle of a universal banking system and from 1948 kept in regular contact with the former directors of the bank. In 1950 Abs drafted a memorandum arguing for the restoration of the big banks and by 1952, after some tense bargaining with the Allies, he finally won his case.

Full Text

Hermann Abs, German banker, died in Bad Soden, in the state of Hesse, on February 6 aged 92. He was born in Bonn on October 15, 1901. HERMANN ABS was known in Germany as the "banker of the century" but he was always more than a money man. He understood political power he was close to Chancellor Konrad Adenauer and the internal workings of industry.

Abs moved onto the management board of Deutsche Bank at the age of 36 in 1938 and was until his death honorary chairman of the bank. His major contribution was towards the rebuilding of Germany after the war: by negotiating the London agreement that rescheduled Germany's foreign debt; by channelling Marshall Aid into the economy; and by helping, through a network of directorships, to formulate a comprehensive industrial policy. The banker's wartime record, however, has always been controversial.

Hermann Josef Abs was apprenticed early to a private Jewish banker, Louis David, in Bonn. For many years he was not entirely sure whether to pursue a musical or a financial career. His ambitious upper-middle-class parents ensured that he mastered both the organ and the piano. When he settled on banking he applied musical insights to

financial practice: "The world of money and its abstractions cry out for order, for composition." The move from the Delbrück merchant bank to the board of Deutsche Bank was justified in similar terms. It was, he said, the difference between playing the organ of a small chapel and the organ of a cathedral. "The larger instrument seems to be more appropriate to my talent."

There was nothing very modest about this sharp-witted man; he was as vain as he was gifted. It was perhaps the flattery of Reichsbank chairman Hjalmar Schacht that drew him into the web of Nazi power. He was never a party member and he was regarded as was Schacht with some suspicions by the Nazi hierarchy. Yet the Deutsche Bank, partly under his management, helped to confiscate Jewish assets in the late 1930s and 1940s. Abs was involved in integrating the banking systems of occupied countries into the German economy, and he sat on the board of I.G.Farben which developed the deadly Zyklon B gas used to kill millions of Jews.

There are some episodes that balance this dismal record: in particular, he helped and protected some Jewish banking colleagues. In 1970 Abs successfully challenged in court a book that accused him of directly forcing the sale of Jewish property during the Nazi era.

The shadow, the uncertainty remained and for some years he was regarded by United States officials as a suspect character; in 1983 he was put on the US watch-list of undesirable visitors. Abs himself described his chief emotion during the Nazi years as "fright".

After the war, however, he soon regained his self-confidence. He showed real diplomatic skills in renegotiating Germany's debt with 65 creditor states in 1952. In Germany his bargaining drew some criticism but the overall result of his efforts was to make Germany creditworthy again, a critical element for the country's economic miracle and its readmission into the international community. It also showed Abs's political grasp: by freeing Germany from the burden of reparations, Abs ensured that the Federal Republic would not be crippled in the manner of the Weimar Republic.

Adenauer trusted him and hinted often that he would make Abs his foreign minister. Abs liked the idea but the offer was never made. In 1948 he was appointed head of the Kreditanstalt für Wiederaufbau. Abs shrewdly funnelled the \$20 billion aid provided under the Marshall Plan. His insider knowledge of German industry was enhanced by seats on over 30 supervisory boards. This twinning of finance and industry was one of the engines of Germany's economic recovery. Not until the 1960s was it viewed as a serious conflict of interest. A law in 1965 the so-called Lex Abs restricted to ten the number of supervisory board directorships that could be held by one man. Abs wryly described the law as a welcome retirement present he had just turned 65 and was thinking in any case of winding down some of his activities.

Of all his many financial and industrial associations, it was the Deutsche Bank link that proved most enduring. When Berlin was captured in the spring of 1945, Abs escaped to Hamburg in a commandeered lorry taking with him thousands of Deutsche Bank files. In the postwar years the big German banks were closed down since they were regarded by some Allied officers as a malign political influence, a contributory factor in the rise of Hitler. But Abs remained committed to the principle of a universal banking system and from 1948 kept in regular contact with the former directors of the bank. In 1950 Abs drafted a memorandum arguing for the restoration of the big banks and by 1952, after some tense bargaining with the Allies, he finally won his case.

Deutsche Bank never forgot about Abs's contribution and long into his retirement provided him with a large office in their Frankfurt headquarters.

Abs spent his last years as a patron of the arts, helping to fund Beethoven's birthplace in Bonn and collecting French impressionist paintings. Married with two children, he repeatedly made jokes about his advanced age and stressed he had no fear of death. At a dinner held in his honour a speaker told a story of Abs arriving in heaven and being commissioned to put order in the chaotic celestial finances. After three days Abs had drawn up his restructuring plan but it was rejected. Archangel Gabriel explained: "Unfortunately God was not prepared to settle for the deputy chairmanship of Heaven plc." Abs, hearing the familiar joke, laughed and clapped.