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# ‘Honourable Men’: West German Industrialists and the Role of Honour and Honour Courts in the Adenauer Era

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ARMIN GRÜNBACHER

## Abstract

*This article argues that traditional conceptions of honour and the social practices based on them were both persistent yet at the same time very fragile and changeable amongst post-war German steel industrialists. After a brief overview of how bourgeois honour developed up to the early 1950s, a study of the honour court case of one of the leading men of heavy industry, Hermann Reusch of Gutehoffnungshütte, which ran from 1947 to 1949, will be presented. This is followed by a description of the ultimately unsuccessful attempt by the Wirtschaftsvereinigung Eisen und Stahl to establish honour councils to enforce a price policy across the association. Both cases highlight the rapidly changing social and economic culture in West Germany in the early 1960s.*

The purpose of this article is to explain why and in what forms ‘honour’ and ‘honour courts’ and ‘honour councils’ survived the Nazi perversion of honour and continued to be used by big business and especially the steel industry well into the 1960s. Honour courts were set up to deal with serious infringements of professional rules or professional misconduct and behaviours, while honour councils act as associational arbitration bodies.<sup>1</sup> By investigating honour in this way it is hoped that the article will contribute to the closing of this gap and lead to a wider discussion on bourgeois honour after 1945. This article seeks to bring together two strands of the historiography that have usually been treated separately: the history

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<sup>1</sup> Honour courts still exist today in Germany for the medical and legal professions; honour councils can be established by societies, clubs or professional associations.

of the transformation of West German industrialists in the Ruhr area from National Socialism to democracy in West Germany, and more finely grained social and cultural histories of the values of the German upper middle class.

Scholarly investigations about 'honour' and related topics such as bourgeois '*habitus*' and duelling see the subject by and large as deriving from the social habits of the early modern aristocracy, for whom duelling was a means to sustaining their social status within feudal society. As such, honour is a well-researched topic for the eighteenth, nineteenth and early twentieth century, both in the European and German context.<sup>2</sup> According to the theory of Max Weber, an outspoken advocate of duels and a duellist himself, social honour should, because of its feudal origins, lose its meaning and disappear from everyday life with the creation of a modern market society.<sup>3</sup> Thus, most studies that analyse honour in Germany end either after the First World War (like Ann Goldberg's study) or immediately after the Second World War (Ute Frevert's work, for example). Only very few studies go beyond 1945, and those that do focus primarily on social roles and attitudes rather than honour and its significance for group interaction. James Whitman's study, for example, looks at the origins of, and differences between, the German, French and United States legal cultures of litigation, and personal insults and civility. He provides excellent insights and very good descriptions of German attitudes, habits and reactions towards real or perceived insults and violations of honour, and how significant their impact remained on the judicial system in the second half of the twentieth century. Similarly, Paul Betts's essay investigates how the 'other German' society, the German Democratic Republic (GDR), negotiated property disputes and defamation of honour during the 1950s and 1960s.<sup>4</sup> For the Federal Republic of Germany, Winfried Speitkamp's recent cultural history of honour is the only work that explores the post-1945 honour culture in any detail. In his view, despite the 1945 caesura caused by the Nazi perversion of the term 'honour', honour was neither a relict nor an anachronism in the post-war period, but still a creative force, not least because, as he succinctly puts it, 'honour creates status'.<sup>5</sup>

There are recent studies on the continuity and evolution of German 'big business' across the 1945 divide. More detailed studies have by now overtaken Volker Berghahn's

<sup>2</sup> See, for example, Norbert Elias, *The Germans: Power Struggles and the Development of Habitus in the Nineteenth and Twentieth Century*, trans. Eric Dunning and Stephen Mennell, ed. Michael Schröter (Cambridge: Polity Press, 1996); Ute Frevert, *Men of Honour: A Social and Cultural History of the Duel* (Cambridge: Polity Press, 1995), 2; Winfried Speitkamp, *Ohrfeige, Duell, Ehrenmord: Eine Geschichte der Ehre* (Stuttgart: Reclam, 2010), 10; James Q. Whitman, 'Civility and Respect: Three Societies', *The Yale Law Journal*, 109, 6 (2000), 1279–398, here 1285; Ann Goldberg, *Honour, Politics and the Law in Imperial Germany, 1871–1914* (Cambridge: Cambridge University Press, 2010), 1–2. Robert A. Nye's *Masculinity and Male Codes of Honor in Modern France* (New York and Oxford: Oxford University Press, 1993) provides an excellent study on France before the First World War. The classic sociological study of Mediterranean honour is still J. Peristiany's edited volume *Honour and Shame: The Values of Mediterranean Society* (London: Weidenfeld and Nicolson, 1965).

<sup>3</sup> Frevert, *Men of Honour*, 2–4; Goldberg, *Honour*, 5.

<sup>4</sup> Paul Betts, 'Property, Peace and Honour: Neighbourhood Justice in Communist Berlin', *Past and Present*, 201 (2008), 215–54.

<sup>5</sup> Speitkamp, *Ohrfeige*, 17, 22 (all translations are the author's).

1985 ground-breaking study on lines of continuation between pre- and post-1945 German industrialists. Paul Erker, for example, concludes that the amazing thing about German industrialists in the post-war period is not the discontinuity in personnel but the continuity in mentality and attitudes. Richard Tilly's monograph on Willy Schlieker, throwing light on this from a different angle, is a prime example of how the career of a newcomer could be terminated by more established industrialists harbouring old resentments.<sup>6</sup> Schlieker had been working for the Speer ministry and, when not even thirty years old, had been responsible for raw material allocation to the Ruhr steel plants where he made enemies amongst the traditional elites of the Ruhr. After the war he had become one of the faces of the 'economic miracle' before he had to declare bankruptcy in 1962. Still, none of these more recent studies deal with 'honour', which, considering how important honour had been to the bourgeois *habitus*, leaves a considerable gap in our understanding of this group's honour after 1945. Bernhard Rieger used files from law courts for his study on the Volkswagen saving scheme but this article relies on an underused set of sources from company archives to argue that traditional conceptions of honour and the social practices based on them were both persistent yet at the same time very fragile and variable in post-war Germany.<sup>7</sup> The article's first section provides a brief overview of how bourgeois honour developed up to the early 1950s; the second part presents a study of the honour court case of Hermann Reusch of Gutehoffnungshütte, one of Germany's biggest steel manufacturing conglomerates, which ran from 1947–9.<sup>8</sup> The short-lived revival and eventual failure of honour councils, as described in section three, reflect the rapidly changing social and economic culture in West Germany in the early 1960s, when traditional group loyalty and honour began to disappear. However, as Speitkamp has shown, this did not mean that 'honour' as a social concept disappeared altogether within the Federal Republic.<sup>9</sup>

Following Speitkamp, 'honour' will be understood as a code of conduct and instrument of social or, more precisely, group control.<sup>10</sup> By showing that honour was used to influence the behaviour of individuals within a group so as not to act against perceived group interests, this article will demonstrate that honour is a concept

<sup>6</sup> Volker Berghahn, *Unternehmer und Politik in der Bundesrepublik* (Frankfurt: Suhrkamp, 1985); Paul Erker, 'Einleitung: Industrieeiten im 20. Jahrhundert', in Paul Erker, Toni Pierenkämper, eds, *Deutsche Unternehmer zwischen Kriegswirtschaft und Wiederaufbau: Studien zur Erfahrungsbildung von Industrie-Eliten* (Munich: Oldenbourg, 1999), 18; Richard Tilly, *Willy H. Schlieker: Aufstieg und Fall eines Unternehmers* (Berlin: Akademie Verlag, 2008).

<sup>7</sup> Bernhard Rieger uses files from law courts for his study on the Volkswagen trial in which citizens who had participated in the NS Volkswagen saving scheme before and during the war sued the company for compensation for their lost savings instalments. Bernhard Rieger, 'Schulden der Vergangenheit? Der Mamut-prozess der Volkswagensparer, 1949–1961', in Friedrich Kießling, Bernhard Rieger, eds, *Mit dem Wandel leben: Neuorientierung und Tradition in der Bundesrepublik der 1950er und 60er Jahre* (Cologne: Böhlau, 2011), 185–208.

<sup>8</sup> For an overview of all the GHH companies, see Dietrich Wilhelm von Menges, *Unternehmensentscheide: Ein Leben für die Wirtschaft* (Dusseldorf: Econ, 1976); see the inside cover for the pre- and post-1945 company structure.

<sup>9</sup> Speitkamp, *Ohrfeige*, in particular chs 1 and 6.

<sup>10</sup> *Ibid.*, 11, 22.

relating to social practice which, in the case of German heavy industry, changed during the industry's social modernisation in the 1950s and 60s.

### The development of bourgeois honour

'Honour' was first used in the German lands in the context of economic relations in the seventeenth century. Then, the term *ehrbahrer Kaufmann*, honourable merchant, was used when Hamburg Hansa merchants set up a traders' deputation to the city's administration.<sup>11</sup> Germany's early industrial families like the Haniels or the Krupps usually had some background in trade and would have adhered to this tradition of conducting honest business and would have seen it as part of their bourgeois reputation and entrepreneurial honour.<sup>12</sup> With the growth of companies and the rise of salaried executives the honour of the company became independent of that of its owners and their personal conduct.<sup>13</sup> This change in attitude can be observed in the conduct of big steel magnates like August Thyssen, Hugo Stinnes and others well into the early twentieth century and in the tight-knit community of the Ruhr would have also influenced the outlook and self-perception of their successors.<sup>14</sup>

During the nineteenth century, honour courts had been established in the professions. For journalists, lawyers and doctors, this meant a professionalisation and modernisation of their work. It also allowed for emancipation from state authority and oversight while it established a minimum of professional standards and 'honourable conduct' both in professional and private life, with clear rules of conduct and expected behaviour.<sup>15</sup> In the commercial sector, this formal development occurred to a much lesser degree. Only following a number of business scandals in the wake of the 1923 hyperinflation and then the Wall Street Crash, which tainted the reputation of businessmen, did Berlin merchants call for the introduction of merchants' honour courts.<sup>16</sup> Between 1933 and 1935, there were increased efforts to establish such honour courts. But because almost all chambers of commerce had their own approach on the matter, it took until 1935 to find a definition which was accepted in the whole country and for most sectors of the economy. The introduction of honour courts was partly

<sup>11</sup> Theodor Böhner, *Der ehrbare Kaufmann: Vom Werden und Wirken deutscher Wirtschaft* (Hamburg: Meiner Verlag, 1956), vii–viii.

<sup>12</sup> For the Haniel family see Harold James, *Family Capitalism: Wendels, Haniels, Falcks, and the Continental European Model* (Harvard, MA: Harvard University Press, 2006). For Krupp see most recently Harold James, *Krupp: A History of the Legendary Firm* (Princeton: Princeton University Press, 2012).

<sup>13</sup> Friedrich Zunkel, 'Ehre', in Otto Brunner et al., eds, *Geschichtliche Grundbegriffe*, Vol. 2 (Stuttgart: Klett-Cotta, 1975), 1–63, here 49.

<sup>14</sup> Jeffrey R. Fear, *Organizing Control: August Thyssen and the Construction of German Corporate Management* (Harvard MA: Harvard University Press, 2005); Gerald D. Feldman, *Hugo Stinnes: Biographie eines Industriellen 1870–1924* (Munich: C. H. Beck, 1998).

<sup>15</sup> Goldberg, *Honour*, 63.

<sup>16</sup> Christof Biggeleben, 'Kontinuität von Bürgerlichkeit im Berliner Unternehmertum: Der Verein Berliner Kaufleute und Industrieller (1879–1961)', in Volker R. Berghahn, Stefan Unger, Dieter Ziegler, eds, *Die westdeutsche Wirtschaftselite im 20. Jahrhundert: Kontinuität und Mentalität* (Essen: Klartext, 2003), 241–74, here 260–1.

a move by the established merchants to mark themselves off from the perceived (or real) greed of the *nouveaux riches*, who had benefited from the war, the hyperinflation or the economic depression. At the same time, and in line with what Norbert Elias has argued, this has to be seen as an attempt to try to keep the newcomers in a position of lower status within the group they had moved into.<sup>17</sup> According to the 1935 definition, an honourable merchant is someone 'who subordinates himself and supports the idea of work in and for the common weal through his comments, actions and omissions'.<sup>18</sup> This clearly refers to the nineteenth-century bourgeois honour code which prevented professionals from 'making money'. The bourgeois honour code allowed only 'modest' profits and wealth, but not greed, which members of the bourgeoisie regarded as an aristocratic vice.<sup>19</sup> This observation is in line with the argument by Robert Locke: he claims that there existed a fundamental difference in the business philosophies of German and US firms: the latter regarded their companies as 'cash cows', whereas the former saw them as 'living entities' which had to be nurtured. Profits should be made for the company's benefit, not for the owner's gain. The Krupp company was perhaps the most prominent example of this attitude. After the Second World War, the big companies in Germany were also restrained from unfettered capitalism by the co-determination laws.<sup>20</sup>

Over the course of the nineteenth century, and in particular after 1871, 'honour' increasingly became a dominant term in German language and society. The bourgeoisie especially began to defend their honour, more specifically their public reputation, either by litigation and suing for libel, or by challenging the person who caused the insult to a duel, which was standard practice amongst military officers and university students.<sup>21</sup>

After the First World War duels amongst officers practically disappeared in line with the reduction of the officer corps after the Treaty of Versailles. But rapier and sometimes even sabre duels amongst students continued to be highly popular despite massive, albeit futile, attempts by some authorities to abolish these 'class-based' sports. Indeed, of all the student societies, the duelling fraternities had the best recruiting results, claiming up to 60% of all student society members in the inter-war years.<sup>22</sup> It was these young men who attended university in the inter-war period who would become the managerial elite in Germany after the Second World War. The official

<sup>17</sup> Elias, *The Germans*, 46.

<sup>18</sup> Biggeleben, 'Kontinuität', 265–6.

<sup>19</sup> Goldberg, *Honour*, 64. Christina von Hodenberg, 'Der Fluch des Geldsacks: Der Aufstieg der Industriellen als Herausforderung bürgerlicher Werte', in Manfred Hettling, Stefan-Ludwig Hoffmann, eds, *Der bürgerliche Werthimmel: Innenansichten des 19. Jahrhunderts* (Göttingen: Vandenhoeck and Ruprecht, 2000), 79–103.

<sup>20</sup> Robert R. Locke, 'Mistaking a historical phenomenon for a functional one: post-war management education reconsidered', in Lars Engwall, Vera Zamagni, eds, *Management Education in Historical Perspective* (Manchester: Manchester University Press, 1998), 145–56, here 149. For Krupp see James, *Krupp*. On the debate about a different 'German capitalism' see Volker Berghahn, Sigurt Vitols, eds, *Gibt es einen deutschen Kapitalismus? Tradition und globale Perspektiven der sozialen Marktwirtschaft* (Frankfurt/Main: Campus Verlag, 2006).

<sup>21</sup> See Goldberg, *Honour*.

<sup>22</sup> Frevert, *Men of Honour*, 212.

portraits of top executives after the Second World War who had attended university during the interwar years speak for themselves: virtually all showed visible duelling scars which they still wore as a badge of honour.<sup>23</sup> As the most striking example of this, one can name none other than the first president (1949–1971) of the influential and powerful Federation of German Industry (Bundesverband der Deutschen Industrie, BDI), Fritz Berg. When Berg visited the United States of America on a study trip during the 1920s, a New York newspaper referred to him because of his duelling scars, quite unflatteringly, as a ‘typical German beer student’.<sup>24</sup>

Frevort points out that former members of student duelling societies dropped the practice quickly once they had left university, to find more ‘normal’ ways of upholding their bourgeois sense of honour.<sup>25</sup> This change in style did not mean that the former students and their fellow bourgeois merchants and industrialists gave up their traditional sense of honour and their outward claim to honourableness, as the middle classes initiated 80,000 libel cases a year.<sup>26</sup> Speitkamp argues that the meaning of honour changed after 1933 with National Socialist ideology. Before the First World War, honour was seen by the German middle classes as a basic right that had to be defended in duels or in litigation. Under the Nazis honour became a national duty where personal honour became linked to the honour of the community and nation, and the highest form of honour became perverted into dying for the nation. The flip side of the Nazis’ over-glorification of honour was the denial of honour to political opponents and racial others, in particular for Jews. Thus honour became a tool to create and shape the social and racial order of the Nazi regime (*Volksgemeinschaft*), in which any form of deviance from the set norm could be checked and eliminated.<sup>27</sup>

Their involvement with the Nazi war economy and their indictment after 1945 for crimes against humanity had compromised the respectability of businessmen, so they attempted to clear their names and re-establish their honour as a group. The internment of German industrialists by Allied forces after the Second World War and the subsequent war crimes trials against some of them came as a huge shock to the men indicted and to German industrialists as a whole. In his biographical study of ‘captains of industry’, Alexander von Plato speculates that living through the internment, which they experienced as degrading and contemptuous, caused an

<sup>23</sup> See, for example, the portraits in Fritz Pudor, *Lebensbilder aus dem Rheinisch-Westfälischen Industriegebiet: Jahrgang 1962–1967* (Baden-Baden: Nomos, 1977). For the growing number of university-educated top managers see Armin Grünbacher, ‘The Americanisation that never was? The First Decade of the Baden-Badener Unternehmensgespräche, 1954–1964 and Top Management Training in 1950s Germany’, *Business History* 54, 2 (2012) 245–61. Although these figures are for industry as a whole, one has to remember that heavy industry was still dominated by the university-trained *Bergassessoren* (government certified mining engineers and inspectors), while on the commercial side, many board members had law degrees.

<sup>24</sup> Achim Schulte Goebel, ‘Fritz Berg 1901–1979: Unternehmer und Industriepräsident in der Adenauer Ära’, Ph.D. thesis, University of Dusseldorf, 1999, 11

<sup>25</sup> Frevort, *Men of Honour*, 218–9.

<sup>26</sup> Speitkamp, *Ohne Feige*, 176.

<sup>27</sup> *Ibid.*, 192–3, 201–13.



insecurity leading to a new thinking amongst industrialists.<sup>28</sup> Jonathan Wiesen has argued convincingly that although most businessmen (apart from those convicted at Nuremberg) would eventually be cleared, on appeal, of active involvement with the Nazis by German denazification panels, they were outraged by the arrests and trials. They were deeply humiliated and affected in their nineteenth-century bourgeois self-conception. This can be seen especially well in the account of Hans-Günther Sohl. The post-war chairman of the Thyssen steel group spent ten pages in his memoirs describing his internment.<sup>29</sup> If one turns from this fact to Konrad Jarausch's suggestion of how 'social-cultural changes' came about, that is, out of individual daily experiences, then living through the incarceration can be understood as the start of a series of changes in the industrialists' social and cultural values and norms, which arose from their everyday experiences after the war.<sup>30</sup>

While the sentencing for war crimes at the Nuremberg War Crimes trials – most prominently of Alfred Krupp – and Krupp's expropriation came as a shock to the whole German business community, it was also the starting point for a concerted drive by some steel industrialists to restore what they regarded as their collective honour.<sup>31</sup> The campaign's sharpest tool was public relations and in particular the commissioned publication of new biographies of industrialists and entrepreneurs.<sup>32</sup> Apart from Louis P. Lochner's *Tycoons and Tyrant*, which was heavily sponsored by, amongst others, the Iron and Steel Association (Wirtschaftsvereinigung Eisen und Stahl – WVES from now on), the most notorious of these books, perhaps, were those written by Gert von Klass. Von Klass produced a series of unashamedly hagiographic biographies of Albert Vögler and Hugo Stinnes and similarly glorifying company histories, for example of Friedrich Krupp AG.<sup>33</sup> In his excellent study on how companies or surviving 'friends' had commissioned these books, Kim Priemel has shed light on how industrialists used the books as a justification for their own actions.<sup>34</sup> The German Industry Institute (Deutsches Industrie-Institut, DI), a body set up in 1951 by a variety of German companies and industrial organisations drawn particularly from heavy industry, has to be seen as the most influential and successful

<sup>28</sup> Alexander von Plato, "'Wirtschaftskapitäne': Biographische Selbstkonstruktionen von Unternehmern in der Nachkriegszeit', in Axel Schildt, Arnold Sywottek, eds, *Modernisierung im Wiederaufbau: Die Westdeutsche Gesellschaft der 50er Jahre* (Bonn: Dietz, 1998), 379, 387.

<sup>29</sup> Jonathan Wiesen, *West German Industry and the Challenge of the Nazi Past* (Chapel Hill, NC: University of North Carolina Press, 2001), 52–93 and esp. 68. Hans-Günther Sohl, *Notizen* (private printing, 1983), 98–107.

<sup>30</sup> Konrad Jarausch, *Die Umkehr: Deutsche Wandlungen 1945–1995* (Bonn: Bundeszentrale für Politische Bildung, 2004), 9.

<sup>31</sup> Wiesen, *West German Industry*, 97.

<sup>32</sup> *Ibid.*, 131–56.

<sup>33</sup> Louis P. Lochner, *Tycoons and Tyrant: German Industry from Hitler to Adenauer* (Chicago: Henry Regenery, 1954); Gert von Klass, *Die drei Ringe: Lebensgeschichte des Industrieunternehmens Krupp* (Tübingen: Wunderlich, 1953); *Albert Vögler: Einer der Großen des Ruhrreviers* (Tübingen: Wunderlich, 1957); *Hugo Stinnes* (Tübingen: Wunderlich, 1958). On the sponsorship see Thyssen-Krupp Konzernarchiv (henceforth TKA and file number) A/30412, Ahrens to Sohl, 28 Feb. 1955.

<sup>34</sup> Kim Christian Priemel, 'Gekaufte Geschichte: Der "Freundeskreis Albert Vögler"', Gert von Klass und die Entwicklung der historischen Unternehmerforschung nach 1945', *Zeitschrift für Unternehmensgeschichte*, 52 (2007), 177–202.

organisation in this process of reclaiming the industrialists' 'honour'.<sup>35</sup> It was the DI which supported and subsidised with a considerable sum of money a revised edition of Theodor Böhner's *Der ehrbare Kaufmann* ('The honourable merchant'). First published in 1936, the book was a hagiography, written in an accessible style, of the ingenuity, industriousness and integrity of German merchants, bankers and industrialists from the sixteenth to the twentieth centuries.<sup>36</sup> It glorified the work of the 'honest merchant' and of leading companies from all sectors of the economy, in particular those from heavy industry, and what they had done and were still doing for their community and country. In retrospect, the revised edition has to be seen as an attempt to restore industrialists' reputation, image and honour in the public eye by linking the businessmen and companies of the past with those of the 'economic miracle', and the 'honourable merchant' of history with the 'honourable' men of the present. Christof Biggeleben points out that the term 'merchant' was used instead of 'industrialist', particularly because after 1945 the latter was associated with the term *Grosskapitalist* (big capitalist; the underlying ideological charge of the German term gets lost in translation), which itself was close to a synonym for a Nazi supporter. At the same time the term 'merchant' helped to cover up growing differences and conflicts between industrialists and merchants.<sup>37</sup> The industrialists' endeavours to exonerate themselves can scarcely be considered as an attempt to deal with their involvement with the Nazi regime. Coming to terms with the past, either by a company or by an industrial group, began on a significant scale only in the 1990s. Prior to this, any involvement with the Nazis had either been played down and trivialised or covered up. As Wiesen has shown, this was not done out of a feeling of guilt. The industrialists took their actions chiefly in an attempt to restore their collective honour, which they thought had been blemished unjustifiably.

### The Reusch-Kirchfeld case

The honour court case of Hermann Reusch which dragged on for almost two years from 1947–9 gives an insight into the significance honour still had for the leading man of the Ruhr industry. Reusch had been one of the very few industrialists who were not detained by the Allies and, because of this and his background at Gutehoffnungshütte, he became one of most influential (but also controversial) figures amongst German industrialists. Up to 1945, Gutehoffnungshütte had been a trust second only to the giant Vereinigte Stahlwerke, with interests in coal, steelmaking and steel manufacturing. After the war, the Allies split the company, against strong German resistance, into a coal-mining operation, a steel maker, a trading house and, the most prized asset, the manufacturing trust which kept the name of Gutehoffnungshütte Aktienverein.<sup>38</sup>

<sup>35</sup> Rheinisch-Westfälisches Wirtschaftsarchiv (henceforth RWWA), 130/40010146/307 and 308, passim.

<sup>36</sup> Böhner, *Der ehrbare Kaufmann*, viii.

<sup>37</sup> Biggeleben, 'Kontinuität', 268–9.

<sup>38</sup> See von Menges, *Unternehmensentscheide*, on the inside cover, for the pre- and post-1945 company structure.

In one of the few existing autobiographical accounts by a post-war industrialist, Dietrich Wilhelm von Menges, chairman of Gutehoffnungshütte from 1966 to 1975, gives a brief and not entirely accurate account of the honour court procedures, which had the following background.<sup>39</sup> In 1942, Paul Reusch, chairman of the board of managers of the holding company Gutehoffnungshütte Aktienverein since 1909, had been forced to leave his post due to ever growing Nazi pressure because of his opposition to the regime.<sup>40</sup> Reusch's son Hermann, also a member of the managing board and destined to become his successor, resigned out of solidarity. Untainted by any Nazi connection, Hermann Reusch returned to the company leadership in 1945. He then accused fellow board member Franz Kirchfeld, who during the war also held the post of state secretary in the Economics Ministry, of having briefed the Nazis against Reusch senior. Although Kirchfeld, who also had been tipped as a future chairman of the board of managers, resigned from the board of Gutehoffnungshütte steel plant on 31 March 1946, he stayed on as board member of the Aktienverein and initially as chairman of Gutehoffnungshütte subsidiary company Ferrostaal.<sup>41</sup> Throughout 1947 Hermann Reusch continued his overt and covert campaign against Kirchfeld. He completely ignored Kirchfeld by refusing any meeting or telephone conversation with him. Reusch did not inform von Menges in detail about his allegations against Kirchfeld till October 1947, but he seems to have spelled out the allegations to Kirchfeld himself only in November, and subsequently authorised von Menges to act as a go-between and mediator.<sup>42</sup> At the centre of Reusch's allegations stood the claim of 'disloyalty' against Reusch senior by conspiring with Werner Carp and Wolfgang Curtius, both from a different branch of the Haniel family which owned Gutehoffnungshütte and outspoken opponents of Paul Reusch, to get him removed.<sup>43</sup>

Kirchfeld, who had been mentored by Paul Reusch and claimed to have always been loyal to him, denied the accusations. Eventually, in April 1948 he declared that he felt insulted in his honour and demanded that the case be resolved immediately. By August 1948, the two men (who during their student days had both been members of duelling student societies) had been able to agree on and establish an honour court which was to resolve the dispute for good.<sup>44</sup> From the surviving documents the

<sup>39</sup> Von Menges, *Unternehmensentscheide*, 104–5.

<sup>40</sup> Gutehoffnungshütte Aktienverein was the holding company of which the steel works of similar name, Gutehoffnungshütte AG Oberhausen, was a subsidiary. For board membership of the holding and subsidiary companies see Johannes Bähr, Ralf Banken, Thomas Flemming, *Die MAN: Eine deutsche Industriegeschichte*, 3rd edn (Munich: C. H. Beck, 2009), 286.

<sup>41</sup> Benjamin Obermüller, "'Auf einen groben Klotz gehört ein grober Keil.'" Hermann Reuschs Kampf gegen Dr Franz Kirchfeld 1947–1950', *Historische Gesellschaft Oberhausen*, ed., *Ursprünge und Entwicklungen der Stadt Oberhausen*, Band 8 (Oberhausen, 2009), 119–33, here 121.

<sup>42</sup> Obermüller, "'Auf einen groben Klotz'", 123.

<sup>43</sup> Benjamin Obermüller, 'Hermann Reusch und die Beziehungen zur Eigentümerfamilie Haniel', in Susanne Hilger, Ulrich S. Soénius, eds, *Familienunternehmen im Rheinland im 19. und 20. Jahrhundert*, *Schriften zur rheinisch-westfälischen Wirtschaftsgeschichte*, Vol. 47 (Cologne: Stiftung Rheinisch-Westfälisches Wirtschaftsarchiv, 2009), 159–74, here 164–8. For the Haniel/Carp family tree see Harold James, *Family Capitalism*, 390–2.

<sup>44</sup> Obermüller, "'Auf einen groben Klotz'", 124–5.

conclusion has to be drawn that there were no set rules for such a course of action. Reusch did send to his second an excerpt of the 'Honour and Weapons Code of the Association of Former Corps Students' ('*Ehren- und Waffenordnung des Verbandes Alter Corpsstudenten*'), which outlined the rules for pistol and sabre duels. Although this approach to conflict settlement seems ludicrous from today's perspective, Whitman points out that, even if they were an exception, the last two duels fought in France occurred in 1958 and 1967 respectively.<sup>45</sup> Instead of duelling, Reusch and Kirchfeld agreed to the establishment of an honour court. It was to be made up of one second from each side to which the opponents would send written statements in response to their opponent's case.<sup>46</sup> Reusch's second and honour court representative was his friend Otto Meyer, chairman of another Gutehoffnungshütte subsidiary, the manufacturing company Maschinenfabrik Augsburg-Nürnberg (MAN). Meyer, who had been in charge of MAN since 1935, had kept his distance from the Nazis, partly because his mentor Paul Reusch had done so, but even more so because of his Jewish wife, which had made him a personal target of the Nazi Gauleiter of Franconia, Julius Streicher. In 1945, Meyer avoided arrest and deportation to a labour camp only because of the chaos of the Nazi collapse.<sup>47</sup> Kirchfeld's nominee was Walter Voss of the Mühlheim wire cable company Kox.<sup>48</sup> In the process of the honour court proceedings, Reusch was not able to substantiate any of his claims against Kirchfeld with anything other than hearsay. He even had to retract some of his allegations and instead focus his accusations more and more on Kirchfeld's Nazi party membership.<sup>49</sup> With even Reusch's colleagues and confidants, including the Nazi opponent Meyer, making statements in support of Kirchfeld (but certainly none against him), the honour court in May 1949 declared Reusch's accusation unproven and Kirchfeld's honour restored. Despite this clear outcome, Kirchfeld had to give up both his board membership at Gutehoffnungshütte Aktienverein and at Ferrostaal, and had to leave the company for good, receiving only a pittance as compensation.<sup>50</sup>

The case and its aftermath highlight two aspects of the importance of 'honour' for West German steel industrialists: first, they demonstrate how important 'honour' was to the industrial elite. The honour court explicitly confirmed that both men had acted out of 'honourable motives'.<sup>51</sup> Over-ambition and disloyalty were the two attributes most disliked in the Ruhr community, as the cases of Adolf Fry, a Krupp deputy director, and of Walter Rohland, chairman of the Vereinigte Stahlwerke, both demonstrate. Fry had been dismissed without notice in 1934 after having briefed against colleagues; and Rohland was the only Vereinigte Stahlwerke board member who could not continue his career after the war because his colleagues regarded

<sup>45</sup> Whitman, 'Civility', 1360.

<sup>46</sup> MAN Archive A1.3.3.5 (Nachlass Otto Meyer). I am much obliged and very grateful to Professor Johannes Bähr for providing me with these details.

<sup>47</sup> Bähr, Banken, Flemming, *Die MAN*, 285, 290, 314.

<sup>48</sup> Ibid.; von Menges, *Unternehmerentscheide*, 105. No further details could be found about Voss.

<sup>49</sup> Obermüller, "'Auf einen groben Klotz'", 126–8.

<sup>50</sup> Ibid., 128–9.

<sup>51</sup> Bähr, Banken, Flemming, *Die MAN*, 313.

him as over-ambitious.<sup>52</sup> With his honour restored, Kirchfeld was able to set up his own successful trading and industrial services company, which would have been near impossible had the disloyalty claims been proven.

Second, business interests, in this case the interests of the Haniel family over the Carp/Curtius branch of the clan on how to run the company, ultimately still overruled matters of honour. The fact that Kirchfeld had to leave the company had not much to do with his Nazi party membership. There were too many managers with a similar past (even within the relatively 'under -Nazified' Gutehoffnungshütte) who were continuing their careers in post-war Germany, but only in Kirchfeld's case did Curt Haniel express his displeasure regarding Nazi party membership.<sup>53</sup> It is, therefore, obvious that there was another reason for Haniel's bias in the affair, in which he refused Kirchfeld the opportunity to justify himself while Haniel continued to consult with Reusch. The reason was Haniel's close relationship with Reusch, father and son. Both had regarded themselves as 'major-domos' of the Haniel family, fulfilling this role always in the interest of the family and at times even to the detriment of the company.<sup>54</sup> The Haniels had good reasons to support Hermann Reusch, who himself had a tense relationship with the Carp/Curtius line since they disliked Reusch's running of the company.<sup>55</sup> By supporting Reusch and making him undisputed chairman of the board, Haniel strengthened his own position in the family power struggle. For Reusch, who at the time really seems to have believed in Kirchfeld's disloyalty, the eventual dismissal of his opponent had the additional benefit of thwarting the potential challenge of a likely and competent rival for the company chairmanship. In any case, what is striking about this incident is the fact that both men eventually accepted and submitted to the ruling of an honour court that had been set up as a body for the protection and restoration of the honour of one of the protagonists. Non-compliance with the verdict, for example by pursuing legal redress, would have had considerable consequences for either man's reputation. For Kirchfeld, accepting it offered at least a chance of a new start outside of Gutehoffnungshütte. Von Menges describes how eventually in the 1960s both men became reconciled and acknowledged restored honour.<sup>56</sup> As far as could be ascertained, the Reusch-Kirchfeld case was the last of its kind amongst industrialists in which an honour court was set up to deal with matters of reputation. From now on those affairs would either be settled through mediation by friends and business associations or they would be handled in a court of law.

<sup>52</sup> James, *Krupp*, 193; Priemel, 'Gekaufte Geschichte', 191–2.

<sup>53</sup> Obermüller, "'Auf einen groben Klotz'", 122; for party membership in the Gutehoffnungshütte companies see Bähr, Banken, Flemming, *Die MAN*, 283–91.

<sup>54</sup> Obermüller, 'Hermann Reusch und die Beziehungen', 160.

<sup>55</sup> *Ibid.*, 164–5.

<sup>56</sup> Von Menges, *Unternehmensentscheide*, 105.

### The Honour Council of the Iron and Steel Association

During the 1950s, the adherence to what was regarded as honourable behaviour, notably with respect to traditional group loyalty, underwent significant changes as the next example, the honour council of the WVES, will demonstrate. It is here where, in the wake of the declining influence of the previous cartel and association discipline, changing attitudes and a cultural shift under the 'Social Market Economy' become obvious. The traditional industrial group loyalty and the honour of individuals within the group that was linked to this form of loyalty (*Treue*) changed significantly during the late 1950s and the 1960s.

In February 1957, the Federation of German Industry announced in one of their circulars that guidelines for the establishment of industrial honour courts, which had been drafted in co-operation with the Federation of German Employers' Organisation (Bundesverband der Deutschen Arbeitgeberverbände, BDA), would be announced soon.<sup>57</sup> On the part of Wilhelm Ahrens, general secretary (*Hauptgeschäftsführer*) of the Iron and Steel Association, this announcement was not welcome.<sup>58</sup> Ahrens did not like the idea of setting up a cross-association body with the employers' association as suggested in the initial BDI honour court guidelines because it would have unbalanced the association's difficult social policy conditions. The big steel companies with more than 1000 employees operated under the 1952 co-determination law, which meant that their supervisory boards had to be made up of five representatives each of capital and labour and one neutral member. The small and medium-sized companies, which made up the majority of association members, were not subject to the law, and they feared that co-determination might be introduced to the industry as a whole through the back door. This was one of the main reasons why the Iron and Steel Association had kept its distance from both the BDI and BDA, and Ahrens considered this special role to be under threat if they had to provide panel members for the honour courts and also, more importantly, had to accept more union-friendly BDA members into their own courts. For the WVES, this was also a way to demonstrate their 'special' role within German industry, which, as Werner Plumpe has demonstrated, they regained for a brief period during the reconstruction period of the 1950s.<sup>59</sup>

As Christof Biggeleben has established for the Berlin merchants, looking after their own in an hour of need was regarded as a duty of honour. During the 1930s, under the banner of 'honour duty', the Berlin merchants recapitalised and financed a merchants' old age pensioners' home which had suffered and lost its assets during the inflation period; and despite the desperate economic situation in post-war Berlin, by the early 1950s, the 'Emergency Fund for Merchants in Economic Distress' (Notkasse

<sup>57</sup> TKA A/30413, Diskussionsabend, Ahrens to Sohl, 12 March 1957, Appendix 13 for the forthcoming Diskussionsabend.

<sup>58</sup> Ibid., also for the following sentence. The existence of the guidelines could not be verified.

<sup>59</sup> Werner Plumpe, 'Unternehmerverbände und industrielle Interessenpolitik', in Wolfgang Köllmann, Hermann Korte, Dietmar Petzina, Wolfhart Weber, eds, *Das Ruhrgebiet im Industriezeitalter: Geschichte und Entwicklung*, Vol. 1 (Dusseldorf: Schwann, 1990), 655–727.

für notleidende Kaufleute) had once again raised DM 600,000 capital for its cause.<sup>60</sup> The same attitude can be seen with the WVES as well, since Ruhr industrialists also saw it as a matter of honour to look after their own when they had fallen on hard times. This happened for the first time right after the war's end when the steel industrialists set up a support fund for the widow of Jakob Reichert, the general secretary of the WVES's predecessor body, after he had committed suicide in 1948.<sup>61</sup> The WVES acted in a very similar way to enhance the welfare of its own members. This also applied to members' surviving dependent relatives, as in the case of Reichert and in that of a former Gutehoffnungshütte employee who, on behalf of and at the request of the steel industry, had joined the High Authority of the European Coal and Steel Community (ECSC) and had died in a work-related car crash. Although the widow would have received her late husband's ECSC salary for another three months, the WVES felt obliged to cover the funeral costs and to provide a pension for her as well. The emotional language used in the minutes of the meeting reveals indeed that they saw it as their duty to do this, the minutes emphasising that the WVES 'must not be petty' (*'darf nicht kleinlich sein'*).<sup>62</sup>

While the social component of the WVES's self-perception of honour as displayed in this example remained intact, group loyalty, the 'honourable' conduct of businesses and the keeping of association agreements increasingly deteriorated once market conditions worsened and competition got tougher. By 1960, actual production output had reached record levels. The competition to sell steel products had become fierce, however, resulting in constant price concessions and undercutting of the agreed price lists by practically all the steel plants. This lack of interest in the common weal of the association is evident from the rise in cases of indiscretion. This upward trend began after the 1957 federal elections, in which the Christian Democratic Union (CDU) had won an absolute majority. The WVES's intended price rises after the elections could not be fully realised because they had been leaked in advance, which had put the association's chairman Sohl in the difficult position of having to explain the price rises to the federal government. All the WVES could do was to bemoan the event as a 'regrettable sign of a lack of common spirit'.<sup>63</sup> This incident would be only the beginning of acts against the informal common honour code as it had existed. In February 1958, Ahrens expressed his utter shock and disbelief about the fact that one of ten top men in the steel industry to which he had sent confidential materials had leaked them. In face of such a lack of integrity, he considered no longer circulating the materials in advance in future.<sup>64</sup> On 7 November 1961, in a meeting of the 'Discussion Evening' (*Diskussionsabend*, DA), the WVES's highly confidential co-ordinating body

<sup>60</sup> Biggeleben, 'Kontinuität', 265, 272. For the economic situation of Berlin's industry, see Armin Grünbacher, 'Sustaining the Island: Western aid to 1950s Berlin', *Cold War History*, 3, 3 (2003), 1–22.

<sup>61</sup> Helmut Uebbing, *Stahl schreibt Geschichte: 125 Jahre Wirtschaftsvereinigung Stahl* (Düsseldorf: Verlag Stahleisen, 1999), 27.

<sup>62</sup> Archiv der Christlich Demokratischen Politik (henceforth ADCP), Nachlass Herbert Köhler, 01–224 – 222/1, (*Diskussionsabend* (DA) 1954–1956), note on the DA on 6 March 1956.

<sup>63</sup> TKA A/30415, Ahrens to Sohl, 30 Nov. 1957, Appendix 1c.

<sup>64</sup> TKA A/30346, Ahrens to Schroeder, 18 Feb. 1968.

in which the owners or top managers of the big steel plants discussed their strategy, a new low point was reached. Sohl, the DA's chairman, in an attempt to force a debate, probably deliberately provoked the industrialists in attendance to blame each other for breaking all existing agreements to which they had given their word, resulting in adverse effects for heavy industry as a whole. Accusations went so far as allegations of lying to the sub-associations' general secretaries. For thirty tumultuous minutes, further insults were dished out against each other, with the sub-associations' general secretaries being called '*Würstchen*' (literally: little sausage; diminutive: poor soul, nobody) and even '*Hanswürstchen*' ('clowns'). Wolff von Amerongen, owner of the Otto Wolff steel trading house, had given this agenda point the plain and embarrassing heading 'mudslinging' ('*Dreckwerfen*'), since he felt himself attacked because the steel trading houses, of which his Otto Wolff company was one of the biggest, were accused of breaking agreements.<sup>65</sup>

The lack of civility and the language used in this confrontation are astonishing, particularly since it happened amongst a group of people who were so concerned about their honour and reputation. Any one of the insults used in the meeting described by Wolff von Amerongen ('liar', '*Würstchen*' or '*Hanswürstchen*') could easily have lead to a civil court action on the part of the insulted party for the sully of honour.<sup>66</sup> A good example of how sensitively they reacted whenever their honour and reputation were at stake had become visible in 1958, when the DA felt compelled to discuss the rumour that the metal workers' trade union had given DM 30,000 towards the making of the film *Das Mädchen Rosemarie*. It was the story of post-war Germany's most famous prostitute, Rosemarie Nitribitt, who had been murdered in 1957, with strong allegations that top industrialists had frequented her on a regular basis.<sup>67</sup> Any rumours of disreputable conduct or, worse, that they had links to this high-profile murder case were most unwelcome.

While the outburst described by Wolff von Amerongen in November 1961 seemed to have cleared the air for the time being, by the summer of 1963 the WVES had decided that it was necessary to establish an honour council for its most important sub-association, the Rolled Steel Association (Walzstahl-Vereinigung). This step was not an attempt to control manners and punish verbal or other forms of social misconduct, but an attempt to stop price dumping, which had become common practice. The honour council was set up to keep the rolled steel companies in line with the association's pricing policy, which had been agreed at the DA. In order to be able to do so, the council was allowed to investigate any infringements of the association's pricing decisions. For the purpose of the investigation, independent auditors could be appointed. Any reported violations were to be scrutinised by the council, regardless of the reputation of the plant or person involved, and the outcome publicised to all association members. WVES general secretary Köhler expressed his confidence

<sup>65</sup> TKA SWB 508, memo by Wolff von Amerongen on the DA meeting 7 Nov. 1961.

<sup>66</sup> Whitman, 'Civility', 1302. Whitman gives a list of liable insults, which is a full page long, see 1305–6.

<sup>67</sup> ACDP 01–224 – 151/2 Diskussionsabend, memo on the meeting 11 Nov. 1958, TOP 8.



that the mere establishment of the honour council would be enough to stop further breaches of agreements and restore the trust amongst the steel works.<sup>68</sup> He was wrong.

At the Discussion Evening on 10 July 1963, it was confirmed that, after a general members' meeting of the WVES on 28 June, the honour council had constituted itself, consisting of the board of the Rolled Steel Association and Köhler. Its *modus operandi* still had to be confirmed by the WVES, which was also considering whether or not to establish honour councils for the other five sub-associations as well.<sup>69</sup> The procedures determined that the honour council had to assess, on request either by the chairman of a sub-association or by the board of managers of a member company, the violation of an association's decision. That companies were encouraged to inform on each other was an action unheard of in the association's history and an action which was not honourable in any sense. If an accusation was made, the honour council could bring in independent auditors, and 'all parties involved' – the draft explicitly avoided the term 'the accused' – were obliged to co-operate fully and provide all relevant material. By a majority vote, the council would then make its decision and inform all the involved parties of the outcome and who had to bear the cost of the investigation.<sup>70</sup>

The honour council could impose sanction fines, ranging from DM 10,000 in minor cases to the complete refund of any illicit rebate plus fines of the same amount, which were to be 'voluntarily donated' to the industry's scientific foundation, the Association for the Promotion of Science and Humanities in Germany (*Stifterverband der deutschen Wissenschaft*).<sup>71</sup> Two months later, and following a first case, the DA discussed the latest development on the honour council. While Sohl repeated the potential penalties, which now ranged from monetary fines to output penalties and even 'personnel changes', he declared that fines in themselves were not enough and that the system should lead to a situation where it was possible to 'grab the person concerned by his honour'. In order to increase the deterrent of potential sanctions, it was decided that if a company was not willing to collaborate, then the association's remaining firms should refuse any co-operation or even terminate any existing collaboration. This would constitute what Sohl in an earlier meeting had termed 'group fight' (*Gruppenkampf*). This was a method which had been used by the steel cartels of the pre-1933 period to enforce cartel discipline. Both of these measures have to be understood as attempts to restore adherence to group loyalty, or suffering the loss of honour and integrity if this loyalty was not sustained. The personnel changes mentioned by Sohl included, in the case of a repeated offence, the sacking of the sales manager (*Verkaufsleiter*) by the plant, or, if the board manager responsible for

<sup>68</sup> ACDP 01-224 – 151/2 Diskussionsabend, memo on the meeting 11 Nov. 1958, TOP 8.

<sup>69</sup> TKA A/30432, Unterlagen für DA am 10 July 1963 bei Elkmann. The other five sub-associations were for Pig Iron (*Roheisen*), Stainless Steel (*Edelstahl*), Steel Pipes (*Stahlrohre*), Rolling Railway Stock (*Rollendes Eisenbahnzeug*) and Wrought Iron (*Schmiedestücke*).

<sup>70</sup> *Ibid.*

<sup>71</sup> ACDP 01-224 – 227/1, *passim*.

sales was involved, asking the company's supervisory board to terminate his contract immediately.<sup>72</sup>

At first the attempts to establish price discipline through the establishment of an honour council had mixed results. During the Discussion Evening on 10 October 1963, Otto Siering of Hüttenwerk Oberhausen declared that his company would be leaving the Heavy Plate Association (Grobblech-Vereinigung), a sub-association of the Rolled Steel Association, at the end of the year and would return only if 'acceptable terms' were to be restored. When Sohl questioned the other Heavy Plate Association representatives about the origins of the case, none was prepared to speak up for fear of further inflaming the situation and Sohl had to conclude that the previous meetings had been in vain and that the 'group fight' might become a real possibility.<sup>73</sup> The news seemed to be better the following month. In a letter to 'the gentlemen concerned' the WVES summed up a meeting on 6 November, in which all participants had agreed to tighten their business conduct in the rolled steel sector, to set up an advisory council which would set binding rules on sales policy, and to implement the honour council.<sup>74</sup> This suggests that at least in the short run the threat of being shamed and fined by the honour council seems to have had an effect and brought the managers into line.

However, this success lasted only a very short time. By the middle of January 1964, the honour council had to write to Sohl that they had to deal with a further thirteen cases involving seven companies but all the cases turned out to be trivial in nature. In fact, because of long-established trust and business connections, it had proved impossible to detect any serious cases and thus the council had the feeling that 'the little ones were hanged while the big ones got away'. The council also bemoaned the fact that some managers had refused to give their word of honour when they were investigated. The men argued that their word of honour was too important to be used in such minor cases.<sup>75</sup> While it may indeed have been possible that some of them regarded their word of honour still so highly as only to use it in matters of great consequence, it may also have been the case that this was the easiest excuse not to give their word in cases where they knew that they would not keep it. Of course, this could mean that the managers still believed in the value of their word and would not squander it lightly; on the other hand it confirms that the iron and steel industry's traditional associational and market discipline was indeed disappearing.

In 1965, when the oversupply had turned into a full-blown steel crisis, the 'lack of honour' amongst German steel managers reached its lowest point. It had become obvious that not sales managers but board members were the guilty parties and that honour council resolutions had to be suspended in order to find out about the scale of price dumping. At least one member of the management board of Dortmund-Hörder Hütten Union stated bluntly that he felt no longer bound by any Discussion Evening

<sup>72</sup> TKA SWB 509, memo by Wolff von Amerongen on the DA meeting, 10 Sept. 1963.

<sup>73</sup> TKA SWB 509, memo by Wolff von Amerongen on DA, 10 Oct. 1963.

<sup>74</sup> TKA SWB 509, letter from the Walzstahl-Vereinigung 'An die beteiligten Herren', 9 Nov. 1963.

<sup>75</sup> ACDP 01-224 - 227/1, Ehrenrat to Sohl und Sendler, 16 Jan. 1964.

decision.<sup>76</sup> Five months later Sohl had to report to the DA about the 'most shocking meeting' of the Rolled Steel Association's advisory council. All its agreements had collapsed, despite the fact that all plants had agreed to them through their bosses' signatures. There was clear evidence that some plants had gone so far as to forge the production statistics they had to send to the WVES. This meeting found its sad climax in another outburst of Otto Siering, who flatly refused to participate in any further meeting of the Heavy Plate Association, because 'at that table sat men who only lied.'<sup>77</sup> This statement of Siering's only confirmed the fact that the forging of production statistics had to come from a company's top, i.e. the board of managers, with the decision either taken by an individual or, more likely, a collective board decision. By this time all trust amongst the honourable gentlemen had been replaced by mutual suspicion. Despite tougher penalties being introduced in November 1965 by the WVES, prices could eventually only be stabilised temporarily in the following years through the establishment of four sales offices (*Verkaufskontore*) through which all steel would be sold, and by the outside pressure on the German steel industry.<sup>78</sup>

Considering the previously tight discipline within the industry, the change in management attitude which caused such drastic measures has to be seen almost as a paradigm shift. However, it can be easily explained when contrasted with the industry's experience over the preceding eighty years or so when the iron and steel industry had faced an outside enemy which they thought they could only face up to if they provided a united front.<sup>79</sup> In the Imperial era, associations to self-regulate the steel industry had been seen as a necessity and the only solution to prevent ruinous competition amongst the steel plants and from abroad, and the companies had to adhere to association discipline. Under the Weimar system, heavy industry felt threatened by trade unions, left-wing governments and compulsory arbitration, which went mostly in favour of labour, resulting, most infamously, in the 1928 'Ruhr iron struggle' (*Ruhreisenstreit*). During this conflict the steel plants locked out almost a quarter of a million workers after the arbitration of an industrial dispute had ruled against them.<sup>80</sup> Following a brief honeymoon, the industry faced massive interference from the Nazis, culminating in the establishment of the Hermann Göring steel plant at Salzgitter and the conduct of the Nazi war economy.<sup>81</sup> Finally, after the war, the Ruhr industrialists were confronted with Allied attempts at decartelisation and the break-up of the naturally grown vertically integrated steel companies of the Ruhr. After the Federal Republic's anti-cartel laws had been enacted in 1957 under Erhard's 'social market economy', no more endogenous political threats existed. The booming

<sup>76</sup> TKA SWB 510, memo by Wolff von Amerongen on DA on 8 April 1965.

<sup>77</sup> TKA SWB 510, memo by Wolff von Amerongen on DA on 8 Sept. 1965.

<sup>78</sup> TKA SWB 511, memo by Wolff von Amerongen on DA on 3 Nov. 1965; SWB 512, letter by secretariat Wolff to DA distribution list members, 15 Aug. 1966, in the attachment a letter by Köhler, 12 Aug. 1966.

<sup>79</sup> Plumpe, 'Unternehmerverbände', *passim*.

<sup>80</sup> Bernd Weisbrod, *Schwerindustrie in der Weimarer Republik: Interessenpolitik zwischen Stabilisierung und Krise* (Wuppertal: Hammer, 1978), 415–56.

<sup>81</sup> Gerhard Mollin, *Montankonzerne und 'Drittes Reich'* (Göttingen: Vandenhoeck und Ruprecht, 1988).

economy allowed the broken-up plants to remerge, expand and work much more for their own benefit. The much reduced need for associational protection and control would have been conducive to change in managerial attitudes. Although they had been shaped by the association's traditions, executives began to operate increasingly outside their perceived group interests and more for their own firm's self-interests and, once the steel market got tougher towards 1960, this new attitude began to prevail. In anticipation of further expansion of steel demand, company chairmen had to impress their supervisory boards with ever bigger plans for capacity increases, but in the face of falling prices the utilisation of the new capacities would have meant constantly undercutting existing price agreements in order to shift production – a development that was not lost on industrialists themselves.<sup>82</sup> While still opposed to cut-throat competition, the top managers' Discussion Evenings and their (semi) cartel-like agreements could not really offer to bridge the growing gap between the old and the new system. If one follows Konrad Jarausch's idea of socio-cultural changes as gradual processes caused by small, day-to-day experiences, the slow disappearance of loyalty and honour as a mechanism of group control in the steel industry in the 1950s and 60s is actually not too surprising.<sup>83</sup> The 'social market economy' allowed the managers to develop new patterns of behaviour; some of them may have even felt compelled to break the old rules for the sake of their companies. For example, the Maxhütte steel plant, part of the Flick group, sabotaged negotiations over the setting up of the sales offices by demanding 30% higher quotas.<sup>84</sup> However, this does not mean that they gave up on honour altogether, as the examples of social honour and obligation in this article have shown. Furthermore, Speitkamp provides too many examples of the continuation of honour as a social force in the Federal Republic as a whole, despite it having been written off many times.<sup>85</sup> People like Sohl took their honorary chairmanship of company supervisory boards or of associations bestowed on them during the 1970s quite seriously.

### Conclusion

The men who ran German heavy industry during the 1950s and 1960s had their crucial socialisation experience during the time of the First World War and the following two decades. Those of them who attended university – and a large share of the managers in big industry did – would therefore have been involved in the student honour culture in which duels were only the outward sign of 'honourable' conduct. Moreover, their overall *habitus* and attitude would also have been influenced by the generation of their predecessors, where bourgeois honour and honourable conduct would have played perhaps an even larger role. It was the bourgeoisie's best means of demarcation against the aristocracy and also other middle-class groups. The

<sup>82</sup> TKA SWB 510, memo by Wolff von Amerongen on DA on 14 June 1965.

<sup>83</sup> Jarausch, *Die Umkehr*.

<sup>84</sup> TKA SWB 512, memo by Wolff von Amerongen on DA on 10 June 1966.

<sup>85</sup> Speitkamp, *Ohne Feige*, 215–65.

entrepreneurial professional honour (*Standesehre*) of the late nineteenth and early twentieth century, which derived from the bourgeois attempt to delimit themselves from the aristocracy, has to be seen as the bedrock and foundation of the workings of the industrial associations.<sup>86</sup>

After the Second World War and in the wake of the Nuremberg War Crime Trials against leading industrialists, West Germany's business elites were working hard and spent considerable amounts of money to restore their collective honour, that is to say in their endeavour to prove that they were not involved with the Nazis. The post-war period was a time when businessmen rallied once again to protect themselves and their honour against attacks from outsiders. Consequently, there were very few cases in which businessmen took action against other businessmen because of Nazi connections. The exceptional Reusch-Kirchfeld case has shown that even if action was taken against a fellow businessman it was not driven by retribution for Nazi sympathies or party membership as such, but came about only if there was a perceived violation of the group's code of conduct. Hermann Reusch's righteous anger about Kirchfeld's alleged involvement in the ousting of Paul Reusch shows that 'honourable' conduct, namely loyalty, was very much at the heart of the matter, in particular if the very close relationship between father and son, which Cornelia Rauh has established, is considered.<sup>87</sup> The establishment of an honour court to settle the affair once and for all shows in this case that both men followed a more traditional honour code – even if they did not duel as they might have done thirty years previously. Both were prepared to accept as a binding ruling the decision of a body which had been set up in order to defend the honourable status of one of them.

Other than spending considerable sums of money at home and abroad on public relations measures to improve their honourable image, industrialists continued to regard it as a matter of honour to look after their own when they had fallen on hard times. The support for Jakob Reichert's widow in 1948 and for the widow of the manager deputised to the ECSC highlight this well. In contrast, if someone was not seen as one of them, they had no hesitation about withholding support or even taking active steps to bring about the downfall of such an individual, as the case of Willy Schlieker demonstrates. His shipyard collapsed after his banks, under influence from some big steelworks, refused to provide bridging loans at a time when Schlieker had major cash-flow problems.<sup>88</sup>

The history of the steel industry's honour council shows the changing link between group loyalty and honourable behaviour and how these changed during the 1950s. The WVES's honour council was no longer used to defend the honour of an individual member, but used as an instrument to enforce compliance with what had been defined as the common weal of the steel industry as a whole. It is debatable what

<sup>86</sup> Zunkel, 'Ehre', 48–9.

<sup>87</sup> Cornelia Rauh-Kühne, 'Zwischen "verantwortlichem Wirkungskreis" und "häuslichem Glanz": Zur Innenansicht wirtschaftsbürgerlicher Familien im 20. Jahrhundert', in Dieter Ziegler, ed., *Großbürger und Unternehmer: Die deutsche Wirtschaftselite im 20. Jahrhundert* (Göttingen: Vandenhoeck und Ruprecht, 2000), 215–48.

<sup>88</sup> Tilly, *Willy H. Schlieker*, 146, 159, 184.

actually caused this 'decline' of the previously fairly solid behavioural code. Possible explanations are the impact of the Allied-imposed break-up of Germany's traditional vertical integration of heavy industry and the Allies' decartelisation policies, which found their climax in West Germany's 1957 anti-cartel law. The impact of these factors, combined with the effect that the economic boom years of the 1950s had on the egos of individual company chairmen, is perhaps the most important reason for the decline of 'honourable behaviour' as defined though the common weal of the steel industry. The fact that the honour council failed to stabilise the steel market by restoring the traditional group loyalty does not mean that managers in heavy industry no longer regarded themselves as honourable merchants; their individual honour, or what they perceived as such, remained unaffected by this development. Their insistence on the significance of their word of honour proves this. However, the failure of the honour council also signifies, in particular in big business, a further shift away from old group and association thinking and *Standesehre* towards one of individual company responsibility and a decline in traditional social honour, as predicted and defined by Max Weber. As such the development contributed to the 'modernisation' of German management.

**Les 'hommes d'honneur': les magnats de l'industrie lourde allemande et le rôle de l'honneur et des tribunaux d'honneur à l'époque d'Adenauer**

Selon cet article, les conceptions traditionnelles de l'honneur et les pratiques sociales qu'elles ont inspirées chez les magnats de l'acier dans l'Allemagne de l'après-guerre se sont avérées durables autant que variables. L'article passe brièvement en revue le développement de la notion d'honneur bourgeois jusqu'au début des années 1950, puis examine le procès de l'un des barons de l'industrie lourde, Hermann Reusch, des aciéries Gutehoffnungshütte, dans un tribunal d'honneur entre 1947 et 1949. Il décrit enfin la tentative infructueuse par l'association Wirtschaftsvereinigung Eisen und Stahl d'établir des conseils d'honneur destinés à mettre en vigueur une politique des prix. Ces deux épisodes montrent l'évolution rapide de la culture sociale et économique dans la RFA du début des années 1960.

**'Ehrenwerte Herren': westdeutsche Schwerindustrielle und die Rolle von Ehre und Ehrengerichte in der Adenauer Ära**

Dieser Artikel argumentiert, dass innerhalb der deutschen Schwerindustrie traditionelle Konzeptionen von Ehre und die darauf ruhenden sozialen Praktiken im Nachkriegsdeutschland sowohl langlebig als auch veränderlich waren. Nach einer kurzen Übersicht wie sich bürgerliche Ehre bis ca. 1950 hin entwickelt hat, wird eine Studie des Ehrengerichtsfalles eines der führenden Männer der deutschen Schwerindustrie, Hermann Reusch von der Gutehoffnungshütte präsentiert, der sich von 1947 bis 1949 hinzog. Diesem folgt der letztlich gescheiterte Versuch der Wirtschaftsvereinigung Eisen und Stahl, ihre Preispolitik durch die Etablierung von Ehrenräten durchzusetzen. Beide Fälle beleuchten, wie schnell sich die soziale und wirtschaftliche Kultur Westdeutschlands in den frühen 1960er Jahren änderte.