

Expansion at all costs?

Studies on the Wintershall AG between crisis and war, 1929–1945

Manfred Grieger, Rainer Karlsch and Ingo Köbler

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STUDIES ON THE WINTERSHALL AG
BETWEEN CRISIS AND WAR,
1929–1945

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INTRODUCTION

At the beginning of 2019 Wintershall Holding GmbH commissioned a team of experts at Gesellschaft für Unternehmensgeschichte e.V. to conduct a professional analysis and reappraisal of the company's history during the Third Reich. The corporation was prompted by a variety of factors to no longer leave its past untouched and instead actively face up to it. Without doubt, the 125th anniversary of the foundation of the Kassel-based energy corporation pending in autumn 2019 also provides a fitting occasion to look back and construe its own history as an influential and changing element of the company's identity that had evolved down through the years. This was all the more true as the corporation completed a fusion with the likewise long-standing company DEA (Deutsche Erdöl AG) at approximately the same time. This step by Wintershall DEA into a shared future also engendered a new awareness of past milestones that the corporation had passed along the way from its origins as a potash mine to its present status as one of Europe's leading natural gas and oil producers.

The company embarked on one of the most decisive stages in its history with its long-standing Managing Director August Rosterg at the helm – straight down an anti-democratic path, and was one of the early fellow travellers of the Nazi Party, and one of its supporters. Not just during the Third Reich, but also for a long time afterwards, the company showed none of the social responsibility that it at present exhibits as one of the co-initiators of the initiative “Open for Diversity – Firmly against Exclusion” which advocates diversity, respect and democratic values in today's society. Thus, the Wintershall corporation was one of the late participants when it comes to the wave

of companies who started to critically address their own respective histories during the Third Reich, a wave that got rolling at the latest in the 1990s. For all too many years, Wintershall remained silent, played down or repressed its own involvement in the Nazi regime.

It was almost 75 years after the Second World War that the corporation decided to tackle the task of studying its own history in a manner that desisted from some all too popular (or random) storytelling and did not hinge on the straightforward goal of history marketing through its brand and communication channels. It is therefore all the more welcome that the Wintershall corporation is now willing to square up firmly to its own role in the Nazi-era and supported the work of the authors of this volume by intense interaction in the form of internal discussions and public events.

Having shown excessive patience in the past, impatience soon followed. The corporation's board wanted to receive an initial idea of the role Wintershall AG played in the Nazi economic system as quickly as possible, and this led in a fairly short period to this volume being written. In it, in their cursory essays historians Rainer Karlsch, Ingo Köhler and Manfred Grieger paint a first overall picture of the history of the potash and oil company from the late 1920s to 1945. The study is based on intensive research into the historical sources, materials housed in numerous state and private archives. Moreover, the relevant contemporary, historical and scholarly literature was assessed – namely such documents as covered the sector and the company's history and focused on the fields in which Winterhsall AG was active and the companies that were its partners. What needs to be said is that in the short period available for the work the materials were broadly studied, but by no means in the required detail and depth. A fundamental problem in this context is that only a very few meaningful documents are to be found in the Wintershall group administrative and executive offices. A large portion of the in-house files were destroyed in Allied bombing raids on the city of Kassel, in the course of which the main head office also burned to the ground. The gaps this leaves in documentation have only partly been filled by

relying on the records in the former Wintershall facilities in Thuringia and Saxony-Anhalt, which did not become available in the respective state archives there until the 1990s. The highly uneven status of the materials should be motivation to follow up this initial study with further exploratory delves into national and international archives that are undertaken less under time pressures. The excuse past company managements liked to field, namely that it was not possible to reconstruct its own history, can no longer be an argument against such further enquiry.

In terms of content, this volume is made up of three essays, each of which sheds light on respectively different aspects of the corporation's history during the Third Reich, whereby the three already in part interlock. The essay by Rainer Karlsch focusses on the economic rise of Wintershall AG from the late 1920s onwards. He outlines the change that the company underwent by strategically diversifying its fields of operations, thus morphing from a leading member of the German potash syndicate into an oil company that was active even as far away as the occupied territories in Europe. The essay highlights how the company was incorporated into the dirigiste economic system with the Nazis' drive for autarky, and into the war effort, as it does the economy policy objectives of its omnipresent director August Rosterg. The essay by Ingo Köhler takes up this approach, with its emphasis on the key actors, and analyses how August Rosterg was caught up in an ambivalent gamble of vacillating between distance and proximity when networking with the Nazi leadership. Köhler looks for the motives behind this personal entanglement, the shapes it took, and the functions it had, and shows how on the basis of pragmatic opportunism Rosterg and his business partners actively involved the company in transactions relating to the Nazis' expansion, "Aryanization" and Germanization objectives. Finally, the study by Manfred Grieger presents the everyday life of the workforce in the Wintershall factories. He outlines the smooth transition in operations from the prior world into the Nazi system and the ideological distortions in labour relations in the Nazi "company community", which

went as far as the unscrupulous exploitation of slave labour. By establishing an ethnic hierarchy in the workforce, the company was, on the one hand, able to plug the holes conscription left in staffing levels by resorting to groups of foreign slave labour and thus to continue production. On the other hand, many German members of the workforce, with the exception of small resistance groups, perceived the foreign sub-proletariat that now formed a level of workers below them to mean that their social status had improved, something that served to support their loyalty to the company and the regime.

The structure of the present volume takes its cue from the company's key fields of activity and interaction with the Nazi regime, in line with the system the Allies identified and described after the event. In the post-war period the company liked to claim that as a potash producer it was far less important to the war effort than had been other German corporations. It also maintained that its entry into the oil business in the 1930s had been motivated purely by business considerations. The fact that Wintershall had in the form of a minority stake in Kontinentale Öl AG, founded in 1940, been locked into the Nazi system of expansion and pillage, was something the company stated was a result of the state command economy and the majority owners, the Nazi government, had taken all the management decisions. However, the myth of a company that kept its distance from the Nazis, and this legend was spun directly after the end of the war, started to come unstuck at an early date. In particular, the trial in absentia of Managing Director August Rosterg (who had died in Stockholm on November 13, 1945) by denazification tribunal shed light on very close linkages between the company and the Nazi regime that showed the myth to be exactly that. While Rosterg had never joined the Nazi Party or one of its associations, until only three

years before his death he was included on a list of war criminals and was suspected by the Allies of having moved his assets abroad.¹

What prompted the relevant denazification tribunal in Kassel to bring charges against Rosterg in January 1949 and to apply for the seizure of 20 percent of his private assets?² The main accusation was that by voluntary contributions to the Nazi Party and its paramount functionaries, in particular Reichsfuehrer SS, Heinrich Himmler, he had substantively helped justify, strengthen and maintain the violent tyranny of the Third Reich. The defence responded that Wintershall AG payments to the Nazi Party were not made until after 1933, and then under duress. Rosterg was portrayed as an unpolitical entrepreneur who had been interested only in business.³ The case before the tribunal ended with the charges being dropped. With only one exception, all the other cases brought against executives and directors ended in acquittals. The company therefore saw no need to explore its own recent past. On the contrary, it emphasized the company's strong continuity and continued to revere Rosterg as the man behind the company's helm. The early support for the Nazi Party, its participation in autarky and armaments projects, the profits from "Aryanization", the exploitation of prisoners of war, slave labour and concentration camp inmates were all topics that the company ignored for decades, but which have now for the first time been subjected to systematic study, on the basis of in part new source materials. Our most sincere gratitude goes to Michael Sasse, head of communications at Wintershall DEA, who initiated, accompanied, supported and promoted this project and without whom this volume would not have been possible. Our special thanks also go to Gesellschaft für

¹ See Hessisches Hauptstaatsarchiv Wiesbaden (Hessen Main State Archive Wiesbaden, HHStAW), 520-22, no. 9591 (August Rosterg) sheet 57, Hessen Ministry of State, Minister for Political Liberation, Jan. 14, 1948.

² See *ibid.*, *The public prosecutor before the Professional Tribunal in Kassel brings charges against Rosterg*, Jan. 18, 1949, sheet 88f.

³ See *ibid.*, *Statement by Karl Hartmann*, Private Secretary to Rosterg, May 5, 1947.

Unternehmensgeschichte Andrea Schneider-Braunberger for coordinating this historical project, to Michael Bermejo-Wenzel for his unflagging and dedicated research of the files and to Kai Balazs-Bartesch for his editorial work. Marvin Brendel as the Wintershall AG in-company historian kindly provided many insightful information and support.

WINNERS IN THE CRISIS? THE POTASH GROUP'S GATEWAY TO THE OIL INDUSTRY 1929–1945

Rainer Karlsch (Institute of Contemporary History Munich-Berlin)

Introduction

In spring 1931 the Management Board of Wintershall AG decided the company would enter the oil industry. This considerably speeded up a process management had already set in motion and which was intended to alter the structure of the potash conglomerate. In fact, it was to change the face of Wintershall AG permanently within the space of only few years. The shift towards crude oil was followed after the Nazi's seizure of power in the year 1933 by decisions to initiate production of synthetic mineral oils, light metal, and highly concentrated nitric acid, as well as to invest in coal mines. Moreover, discontinued potash facilities were made available to the military as locations for new munition plants.

While the extraction and processing of potash salts and their by-products remained the most important business segment for the group during the Third Reich, the percentage of group sales it accounted for fell in comparison to the new segments, and this was doubly true of its contribution to profits. This begs the question as to the affinity between the Nazi regime's goals and those of Wintershall AG. Did the drive into the new fields of business, which were strongly shaped by the regime's need to meet domestic demand, and shortly thereafter military demand, too, occur primarily out of the

group's own volition, or in response to pressure from the state? How did it even come about that of all times in 1931, a year that not only was bad for the German economy but extremely critical for the entire global economy, with unemployment rocketing, a debilitating banking crisis and the collapse of many companies, Wintershall AG began an extensive process of restructuring the group? What role did Chairman of the Board August Rosterg, who ran the group like a patriarch, play in all of this? Since when and for which reasons did he, like others in the potash industry, reject the democracy of the inter-war years? How did it come about that entrepreneurs working in a sector, which due to its cartel structure was still in better shape than most others during the time of the Great Depression (1929–1933), turned towards the Nazi party, supporting it financially and welcoming the fact that the Nazis seized power? What consequences did this ultimately have for the company?

In order to find answers to this and other questions, we shall begin by looking at the emergence of Wintershall AG as the potash industry market leader. This will be followed by an analysis of Rosterg's views on economic policies in the years just before the Nazis took power. The third part of this text will look at the context for Wintershall AG's first steps into the oil industry and the fourth will concern the investments made after 1933 into German self-reliance and armaments. A closer look will be taken in particular at the disaster that occurred during the construction of the Lützkendorf crude oil refinery, as the group's problems as part of the arms build-up and war economy culminated in this project. In conclusion, the article will analyse the consequences of the war for Wintershall AG.

Emergence as potash industry market leader

In late April 1929 the “Kali-Industrie AG” management board proposed to the supervisory board that the group's name be changed to “Wintershall AG”. In the past the group had at times

been confused with other companies in business.¹ The name change was implemented on July 20, 1929 with the new moniker entered into the commercial register.² In doing so, the corporation drew on the name “Wintershall”, previously created for the drilling company and later assumed for the mining firm as well, as it had become established as synonymous with quality.

At the time of the name change Wintershall AG was in fine fettle. The group had not only won the day itself in the competition with its potash producing rivals but had emerged as one of the largest and most productive enterprises in the industry. Just a few years earlier a development of this kind could not have been foreseen. It is thus worth looking at the circumstances and persons who shaped and drove the ascent of the company.

After the First World War, the complexly interwoven group of companies Kaliwerke Salzdettfurth AG, Gewerkschaft Burbach (from 1928 Burbach Kaliwerke AG) and Gewerkschaft Wintershall (from 1921 Kali-Industrie AG) were created, which from this time onwards would define events in the potash industry. In 1888, these and a number of further companies voluntarily, and from 1910 onwards as stipulated by the Reich Potash Law (Reichskaligesetz), formed a syndicate in order to prevent ruinous price wars.³

Nevertheless, total sales did not keep pace with the production capacities created through by developing new mining locations. For this reason, the companies attempted to ramp up the quotas prescribed by the syndicate by digging new shafts, which they however did not put into operation. The intention was simply to gain quota allotments which could then be transferred to existing works.⁴ The

¹ See Bundesarchiv (German Federal Archives, hereinafter: BA) Berlin, R 8119F, no. 1966/1, supervisory board meeting of Kali-Industrie AG, April 24, 1929.

² See *Chronik der Wintershall AG*, unpublished manuscript, Kassel 1981, p. 222.

³ See K + S Aktiengesellschaft (ed.), *Wachstum erleben. Die Geschichte der K + S-Gruppe 1856-2006*, Kassel 2006, p. 33f.

⁴ See Hans-Heinz Emons, *Die Kaliindustrie. Geschichte eines deutschen Wirtschaftszweiges?* in: *Sitzungsberichte der Leibniz-Sozietät*, 6 (2001), pp. 5-74, here p. 19.

companies had feared the state would respond to the crisis after the First World War and the loss of the worldwide potash monopoly by nationalizing the sector, but this did not materialize and instead in April 1919 the Potash Industry Law (*Kaliwirtschaftsgesetz*) was enacted and a quota and decommissioning regulation that foresaw voluntary plant closures. In all, 125 pits of the total of 229 were closed in this way before 1933. In 1928, only 38 pits were still operating, while 66 were kept in reserve.⁵

The leading man at the helm of Wintershall AG, or rather, its precursors, was August Rosterg, born in 1870 in Niedermassen (now Unna, Westphalia). He was born into a mining family with many children and attended the preparatory Mining and Mechanical Engineering School in Dortmund and the Mining School in Bochum, then later the Mining Academy of Clausthal. After initial employment as a foreman in the potash pit Schüssel near Salzgitter and as the works manager of the potash works Messinghausen (Sauerland), in 1898 he transferred to potash drilling company Wintershall in Heringen/Werra. As a young man he encountered challenges to his authority as an operating manager and evaded discussions with his subordinates by handing out instructions, admonitions and reprimands exclusively on paper. He retained this method throughout his career.⁶ Based on his technical skill and economic expertise, he was promoted in 1906 to technical director and in 1914 to general director of the Heringen/Werra potash mine. As the general director of the mines belonging to the Wintershall group he pursued an aggressive policy of concentration and streamlining. In the year 1921 together with Dresdner Bank Rosterg founded the Kassel-based “Kali-Industrie AG” as a financing and holding company. In 1926, Rosterg was

⁵ See *ibid.*, p. 23.

⁶ See Manfred Rasch, *Rosterg, August*, in: *Neue Deutsche Biographie*, 22 (2005), pp. 98-9; Patrick Bormann, *August Rosterg (1870-1945)*, in: Patrick Bormann, Judith Michel & Joachim Scholtyseck (eds.), *Unternehmer in der Weimarer Republik*, Stuttgart 2015, pp. 161-75.

appointed Chairman of the Management Board of Wintershall and secured the majority of the shares for himself. Many of his contemporaries admired him and held him in high esteem. Others considered him as an autocrat and unscrupulous businessman. For example, in January 1931 the daily newspaper “Berliner Börsenkurier” wrote of the “dictatorship of an individual” at Wintershall, while at the same time making no secret of the fact that Rosterg had thus far been very successful in his most important projects.⁷ Alongside Rosterg, important players in the Wintershall directorate were Curt Beil, Gustav Römer and Otto Werthmann. However, they held no or only very few Wintershall shares and as a rule supported the general director’s policy without reservation.



Fig. 1: Portrait of August Rosterg (around 1920)

⁷ Berliner Börsenkurier, (January 25, 1931).

After the First World War the German potash industrialists were faced with the question of how to handle the loss of the plants in the Alsace, with the region now having gone to France. Arnold Rechberg, the Francophile brother of textile businessman Fritz Rechberg (he had acquired Wintershall mining shares in 1914 and intermittently was Rosterg's biggest rival in the battle to rule the Wintershall group) and Rosterg agreed that an understanding would need to be reached with the French potash industry. The general director of the German potash syndicate August Diehn also supported this strategy.⁸ Rosterg rejected the "disaster policy" geared towards ending the German reparations, which had stoked up inflation and led to French troops occupying the Ruhr region: "The reparations policy thus far has had a destructive effect on both Germany and France. Productive structures must be put in its place or both countries and Europe with them shall be doomed."⁹ Rechberg wrote to Rosterg on the matter: "The agreement with the French led to the value of potash increasing. Even the most hare-brained understand that."¹⁰ During the negotiations with the French potash corporations Rosterg was supported by his eldest son Heinz and his daughter Tea. Both acted as interpreters, as their father did not have a sufficient command of French.¹¹ In the spring, the policy of rapprochement advocated by Rosterg and Diehn led to the German-French Potash Agreement of Lugano and in late 1926 to the signing of an agreement in principle in Paris. This ipso facto established a Franco-German potash cartel that controlled the largest part of the global market.¹²

In the mid-1920s the German economy began to recover from the aftermath of the lost World War, the turmoil of revolution

⁸ See BA Koblenz, Nachlass Arnold Rechberg, N 1049/58, letter from Rechberg to Rosterg, January 1, 1925.

⁹ See *ibid.*, letter from Rosterg to Arnold Rechberg, May 19, 1924.

¹⁰ See *ibid.*, letter from Arnold Rechberg to Rosterg, September 12, 1924.

¹¹ See *ibid.*, letter from Rosterg to the French Embassy, March 28, 1925.

¹² See K + S Aktiengesellschaft (ed.), *Wachstum erleben* (see footnote 3), 93.

and counter-revolution and the hyperinflation that had endured until 1923. During this time Rosterg advanced the rationalization of the Wintershall group. The Kaiseroda II/III factory, the most modern and largest potash factory world-wide, opened in Merkers after just two years of construction works.¹³ The factory was so efficient that it was able to process crude salts from neighbouring mines as well as the potash salts from Wintershall's own pits. Simultaneously the processing of by-products of potash mining, such as Glauber salt, Epsom salt and bromine, increasingly gained in significance. Merkers alone covered over two thirds of the Glauber salt requirements of the entire German textile and cellulose industry. Wintershall also expanded their production of sulphate-based potash fertilizer. Not only were these special fertilizer products more profitable, they had the additional advantage of the French works offering no competition in this segment, such that the unrivalled German position effectively continued to exist here.

In the meantime, what had initially been a mutually agreeable cooperation between Fritz Rechberg and August Rosterg within Gewerkschaft Wintershall had gone sour and turned into a bitter power struggle. Rechberg presided over the mine directorate of Gewerkschaft Wintershall and was the chairman of the supervisory board of Kali-Industrie AG. The tensions between him and Rosterg, who after factoring in shareholdings of their respective allies held the same slice of Wintershall mining shares, escalated in autumn 1926. The power struggle was decided when Günther Quandt, who had held some Wintershall mining shares since 1917, sided with the group around Rosterg.¹⁴ Quandt backed the potash expert because he valued the latter's exceptional technical know-how. From that time onwards the two men maintained a lifelong friendship. Quandt was elected Deputy Chairman of the Kali-Industrie AG supervisory board – the

¹³ See *ibid.*

¹⁴ See Joachim Scholtyseck, *Der Aufstieg der Quandts. Eine deutsche Unternehmerdynastie*, Munich 2011, pp. 94–96.

company later changed its name to Wintershall AG – but he stayed out of business decisions in the potash industry. Nevertheless, on important matters he was a reliable business partner and advisor to Rosterg. The group around Rechberg gave up in late 1926 and sold its mining shares to the Burbach group, with its general director Gerhard Korte, one of the pioneers of the potash industry, now turning into Rosterg’s biggest adversary in the potash syndicate. The wrestling for dominance in the industry thus entered a new round.

Meanwhile Rosterg was working on expanding the fields of business covered by the Wintershall group in order not to be dependent on potash production in the future. At a meeting of the Kali-Industrie AG Works Committee in September 1927 he declared: “Any further large-scale development of the potash industry will only be possible in connection with the nitrogen industry.”¹⁵ Rosterg wanted to produce cheap nitrogen in order to be able to also serve this segment of the fertilizer trade, which had previously been a domain of the “I.G. Farbenindustrie AG” (I.G. Farben). While the I.G. Farben inevitably procured potash salts for the production of its fertilizer blend “Nitrophoska” from the potash syndicate, Rosterg no longer wanted to be the “raw materials donkey” for the chemical industry.¹⁶

The opportunity to dare an entry into the chemical industry presented itself after Wintershall had managed to buy patents from an insolvent Swedish company for the process for French company Claude’s nitrogen extraction.¹⁷ Rosterg conducted discussions with steel industrialist Peter Klöckner. Together they decided to assume the production of nitrogen and founded “Gewerkschaft Victor” in Castrop-Rauxel. Klöckner held 52 percent of the shares and Win-

¹⁵ BA Berlin, R 8119F, no. 1966/1, Arbeitsausschusssitzung der Kali-Industrie AG in München, September 5, 1927.

¹⁶ Landesarchiv Thüringen, Hauptstaatsarchiv Weimar (Thuringia State Archive, Main State Archive Weimar, hereinafter: LATH, HStA Weimar), Thuringia Ministry of Economics, batch 6-32-0030; no. 5645, sheet 310, *Gegensätze in der Kaliindustrie*, March 1931.

¹⁷ BA Berlin, R 8119F, no. 1966/1, Works Committee Meeting of Kali-Industrie AG in Berlin, December 2, 1927.