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## The State in pursuit of thanatopolitics: Accounting and the citizenry

Erin Jade Twyford  
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# **The State in pursuit of thanatopolitics: Accounting and the citizenry**

*This thesis is presented as part of the requirements for the conferral of the degree*

## **DOCTOR OF PHILOSOPHY**

**Erin Jade Twyford**

**Bachelor of Laws**

**Bachelor of Commerce, Honours (Class I)**

University of Wollongong

School of Accounting, Economics and Finance

Faculty of Business

2018

This research has been conducted with the support of the Australian Government Research  
Training Program Scholarship

## Certification

I, Erin Jade Twyford, declare that this thesis submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the School of Accounting, Economics and Finance at the University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Erin Jade Twyford

14 December 2018

## Abstract

**Purpose:** The purpose of this study is to contribute to the research literature on the role of accounting in the Holocaust. This study provides a novel but robust theoretical structure to help us understand the role that accounting played in the death of over 6 million people. It draws on the work of Giorgio Agamben (1995, 2002, 2005, 2011, 2015) and, to a lesser extent, Michel Foucault (1978, 2003, 2008), presented in the form of a thanatopolitical lens from which to view the successive losses of life of the Jews of Nazi Germany. Particular focus is on the financial deprivations of the Jews, or the loss of their financial life, enacted through accounting. This structure can be used to explore other events, both historically and of the present. The study also aims to bring the theorising of Agamben to the accounting literature.

**Approach:** Adopting a critical approach to accounting history, this work applies a thanatopolitical lens through a theoretical triptych (loss of financial life, loss of political life, loss of actual life) to delineate loss of life in Nazi Germany. Drawing on Foucault's concepts of biopower and modern racism, and Agamben's concepts of the *state of exception* and the *homo sacer*, this work traces the losses of life experienced by the Jews during the Holocaust through a close-reading of texts. Utilising case studies of businesses implicated in the destruction of Jewish life, this study demonstrates how the loss of financial life is a salient and under-researched component of the genocidal policies and procedures of the Nazi State.

**Discussion:** Through decrees and legislation, the Jews were progressively denationalised and excluded from German economy and society, an outcome of the thanatopolitical policies and practices of the Nazi State that operated under the auspices of 'thanatopower'. The enactment of the *state of exception* (Agamben 2005) enabled the racial ideology of the Nazis designed to *make die* the Jews and *make live* the Aryans. The progressive loss of life is emphasised through the use of a theoretical triptych.

The first panel in the triptych relates to the loss of financial *bios* through Nazi policy and company action, leaving the Jews exposed to destitution, violence and death. The second panel of loss in the theoretical triptych (loss of political *bios*) points to a process of 'extermination through labour'. Reduced to *homo sacer*, the third and final panel in the theoretical triptych relates to the loss of *zoē*. As pure *zoē*, indistinct from other living organisms, the Jews were exterminated 'as lice, which is to say, as *bare life*' (Agamben 1995, p. 114). Companies such as Degussa, Deutsche Bank, I.G. Farben and Ford Werke became conduits for State policy, despite firm commitments to capitalist ideals. It was clear that meticulous accounting for people - their

wealth, labour, assets, taxes, reparations and even death - was vital to the Nazi State. Accounting was used as a tool (weapon) by the Nazi State to create (in)visibilities and designate (non)values, silencing the Jewish experience as it fell outside the discourse of accounting.

**Research Contributions:** The primary contribution of this thesis is to provide robust theory to the largely descriptive literature on accounting and the Holocaust. The theoretical structure used brings together Foucault's and Agamben's concepts to form the thanatopolitical concept of *make live* and *make die*. The inclusion of financial *bios* as a *form of life* connects accounting practice to the broader legal, political and economic contexts that transformed the interrelationships between business, the State and the citizenry. The theoretical structure developed in this thesis can be applied to not only historical instances of thanatopower and thanatopolitics, but also to contemporary situations. The thesis also illustrates the value of Agamben's work to accounting historians.

**Research limitations/ future research:** The primary limitation of the study has to do with the lack of a robust and comprehensive archive of original texts and other sources. This limitation is due largely to the destruction of documents by the Nazi regime, language/translation barriers and restricted access to archival data.

The theoretical structure presented and applied in this thesis has numerous possibilities for use in future research into historical and contemporary crises of morality and law. A genealogical history of *states of exception* in all of its historical incarnations (or even as individual studies) would not only be a major contribution to the literature, it could inform the histories of the present. Further enquiries could also be made into the force of accounting within the economics of 'war'.

## Acknowledgements

This thesis is dedicated to my husband Andrew. Your unconditional love, support and belief has made this thesis possible. I am forever in your debt for the light, wisdom and joy you bring to my life. We did it!

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## Abbreviations

|             |  |
|-------------|--|
| AG          | Aktiengesellschaft, a public limited company   |
| Auer        | Auergesellschaft, formerly Degea AG  |
| BNSDJ       | The <i>National Sozialistischer Deutscher Juristen</i> (Federation of National Socialist German lawyers) |
| CPT         | Temporary Centres of Permanence  |
| DAF         | The German Labour Front  |
| DGW         | The Deutsche Garusswerke   |
| DM          | Deutsche marks   |
| EU          | European   |
| GmbH        | Limited liability company  |
| Hirschland  | Simon Hirschland (bank)  |
| Homburg     | Chemisch-Pharmazeutische Werke AG, Bad Homburg   |
| Hydrocarbon | Hydrocarbon KG   |
| Institut    | <i>Institut der Wirtschaftsprüfer</i> (Institute of Auditors)  |
| KG          | Limited partnership  |
| KPD         | Communist Party of Germany   |
| KZ          | <i>Konzentrationslager</i> (concentration camp)  |
| Mendelssohn | Bankhaus Mendelssohn & Co. Berlin  |
| NSDAP       | National Socialist German Workers Party  |
| OMGUS       | Office of Military Government for Germany, United States   |
| POW         | Prisoner of War  |
| PPB         | Planning, Programming and Budgeting  |
| RM          | Reich marks  |
| SIB         | Social Impact Bonds  |
| SS          | Hitler's personal police force that ran many of the Nazi operations                                      |
| SWW         | Pulverfabrik Skodawerke Wetzler AG   |
| The Council | The Council of People's Commissioners  |
| USHMM       | The United States Holocaust Memorial Museum  |
| VDB         | <i>Der Verband Deutscher Bücherrevisoren</i> (Association of German Auditors)                            |

## Glossary

|                            |   |
|----------------------------|---|
| <i>Anschluss</i>           | The annexation of Austria into Germany  |
| <i>Arisierungs</i>         | German for Aryanisation   |
| <i>Arisierungsgabe</i>     | Aryanisation levy   |
| Armament                   | Policy of the Nazi party to re-arm Germany after demilitarisation mandated by the Treaty of Versailles.   |
| Aryan                      | Racial designation of the German people deemed to be ‘superior’ to other racial identities, especially Jews   |
| Aryanisation               | The financial persecution and degradation of the Jews inflicted through legislated State policies   |
| <i>Auslandorganisation</i> | The Foreign Organisation  |
| Autarky                    | Policy of the Nazi party to become completely self-sufficient economically  |
| Bia                        | Violence (Agamben term)   |
| <i>Bios</i>                | Form of life unique to humans as distinct from other living organisms   |
| Buna                       | Synthetic rubber  |
| Carbon black               | A filler in rubber-like products/dye  |
| Corporative economy        | Economic system that transforms property and private initiatives in the direction pursued by the State while implementing the policy of autarky                             |
| Dikē                       | Justice (Agamben term)  |
| <i>Einsatzgruppen</i>      | Death squads sent out to perform mass shootings to eliminate Jewish and other subrace people  |
| <i>Einsatzkommando</i>     | Smaller divisions of the <i>Einsatzgruppen</i>  |
| <i>Gau</i>                 | A region  |
| <i>Gauleiter</i>           | Political official in charge of a particular region   |
| <i>Gleichschaltung</i>     | Also known as Nazification, the process of infiltrating the German political, economic, social, legal and cultural spheres with Nazi members and subsequently Nazi ideology |
| <i>Homo sacer</i>          | An individual who is cast out of the communal sphere and is therefore able to be killed with impunity   |

|                           |   |
|---------------------------|---|
| <i>Jude</i>               | Jew   |
| <i>Judenfrei</i>          | Free of Jews  |
| <i>Judenrein</i>          | Exclusion of Jews   |
| <i>Kapitalnot</i>         | The shortage of capital that followed WWI as a result of reparation payments to the victorious Allies   |
| <i>Kristallnacht</i>      | Night in which anti-Semitic citizens partook in the destruction, burning and dispossession of Jewish property   |
| <i>Mischling</i>          | German legal term to denote those who had both Jewish and German blood  |
| <i>Mittlestand</i>        | Medium sized companies  |
| <i>Nomos</i>              | Agamben uses <i>nomos</i> to designate the provisional codes of social and political behavior that form the foundation for 'normal' law.  |
| <i>Obergruppenführer</i>  | Paramilitary rank of the Nazi Party   |
| <i>Ostarbeiter</i>        | Eastern European labourer   |
| <i>Reichseinsatz</i>      | Foreign labour  |
| <i>Schreibtischtäter</i>  | German term for 'desk-murderer' or 'desk-killer' coined by Arendt (1977)  |
| Standstill credits        | Foreign credit lines that were frozen during the 1931 banking crisis, and which were subject to the annually negotiated German Credit Agreements  |
| <i>State of exception</i> | The <i>state of exception</i> (Agamben term) that comprises sovereign power's suspension of the juridical order. This act can also suspend civilian rights and the Constitution. The <i>state of exception</i> provides a space for what would otherwise be an illegal treatment of citizens, legitimised by claiming a crisis. |
| Stormtroopers             | World War I specialist soldiers in Germany.   |
| <i>Sturmabteilung</i>     | Stormtroopers who specifically served Adolf Hitler and the Nazi Party   |
| Thanatopolitics           | The politics of death – delineated in this thesis as the political goals of a State wherein it actively pursues both to <i>make die</i> certain citizens while <i>making live</i> others.   |

|                          |   |
|--------------------------|---|
| Thanatopower             | The coalescence of sovereign power and biopower, such that the State is simultaneously seeking to <i>make die</i> and <i>make live</i> the citizenry. |
| Vorstand                 | I.G. Farben's Working Committee   |
| Westarbeiter             | Western European Worker   |
| <i>Wirtschaftsprüfer</i> | Closest German equivalent at the time of an accountant  |
| <i>Zoē</i>               | Form of life common to all living organisms (Agamben term)  |
| Zyklon B                 | The gas produced by the jointly owned Degussa and I.G. Farben concern Degesch that was used to asphyxiate Jews during the Holocaust                   |



And they will ask if this is the truth. I will answer in advance: No, this is not the truth, it is only a small part, a tiny fraction of the truth. The essential truth, the real truth, cannot be described even with the most powerful pen.

- The diary of Stefan Ernst, 1943

But now you can't compare him with anything that's alive. Even when he's dead he won't be like a dead man. He'll clutter up the hall. Perhaps it's a waste of time. We ought to make an end of it. There's no point in killing him. And there's no longer any point in letting him live. He's no longer good for anything. He's completely useless. And just because there's no point in killing him, we can go ahead and do it.

- Marguerite Duras, 1985

Indifference is not a beginning, it is an end. And, therefore, indifference is always the friend of the enemy, for it benefits the aggressor - never his victim, whose pain is magnified when he or she feels forgotten. The political prisoner in his cell, the hungry children, the homeless refugees - not to respond to their plight, not to relieve their solitude by offering them a spark of hope is to exile them from human memory. And in denying their humanity we betray our own.

- Elie Wiesel, Holocaust survivor and Nobel laureate, April 12, 1999

You who live safe  
In your warm houses  
You who find, returning in the evening,  
Hot food and friendly faces:  
    Consider if this is a man  
    Who works in the mud  
    Who does not know peace  
    Who fights for a scrap of bread  
    Who dies because of a yes or a no.  
    Consider if this is a woman,  
    Without hair and without name  
    With no more strength to remember,  
    Her eyes empty and her womb cold  
    Like a frog in winter.

Meditate that this came about:  
I commend these words to you.  
Carve them in your hearts  
At home, in the street,  
Going to bed, rising;  
Repeat them to your children,  
    Or may your house fall apart,  
    May illness impede you,  
    May your children turn their faces from you.  
- Primo Levi, Holocaust survivor, 1958

# Chapter One: Introduction

## 1.1 Research Topic

The purpose of this study is to contribute to our understanding of the role of accounting in the Holocaust. That contribution is primarily theoretical, that is, the study seeks to provide a theoretical structure of ideas that can help us to understand the role that accounting played in the death of over 6 million people. The Jews of Nazi Germany were subject to various acts of degradation, but the dominant degradation enacted through accounting was facilitated through the loss of financial *bios*<sup>1</sup> (or the loss of financial life). As will be shown in this thesis, that loss of financial life was the first of three major ways the Nazis reduced the Jews to something other than persons. In this context, genocide didn't just describe Nazi policy. It was, in fact, the last horror of a systematic process of eradicating Jewish wealth, stripping the Jews of political identity, and only then killing them.

This study is important for three reasons. First, this thesis adopts a broad view of accounting that is open to all possible accountings (Arrington & Francis 1993; Gray et al 1997; Zhang et al 2012; Broadbent & Laughlin 2013; Lehman et al 2016). It is consistent with Miller's assertion that:

there are no general principles by which one might be able to arbitrate as to what should be inside and outside accounting. For what is outside accounting today can become a central and taken-for-granted part of accounting within as little as a decade (1998, p. 619).

The accounting for this study has not been derived from financial statements, as the accounting I am interested in is the accounts of people's lives (Miller & O'Leary 1987). I am interested in

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<sup>1</sup> Key Agamben terminologies such as *bios* have been italicized throughout this study to highlight his use of these terms.

processes that allow for accounting inscription in the discipline of bodies, throughout life and even into death. By focusing on the Holocaust, I suggest that the techniques of business and accounting were deployed not only to govern life, but also to govern death.

Second, this work contributes to the extant literature in accounting which addresses the suffering, death and destruction facilitated by accounting (see Funnell 1998, 2006; Fleischman & Tyson 2000, 2004; Chwastiak 2001, 2006, Chwastiak & Young 2003; Dillard 2003; Lippman & Wilson 2007; Oldroyd et al 2008; Chwastiak & Lehman 2008, among others). This work also implicates businesses in such activities as conduits for the implementation of State policy.

Third, this study presents one way in which a novel but robust theoretical structure may contribute to accounting histories interested to reveal accounting's complicity in suffering, death and destruction. This study extends the existing research on accounting's relation to Nazism by rationalising that relation through social-theoretic structures adapted from the work of Giorgio Agamben and, to a lesser extent, Michel Foucault. Through this work, 'new' histories can be better informed by social-political theory; for example, the theory drawn here from the work of Agamben, which provides perhaps the richest academic articulation of social theory to date in this context.

## 1.2 Context

Nazi Germany represents a unique historical case study into thanatopolitical<sup>2</sup> structures that enable persecution and genocide. It is unique in that the Holocaust holds such a powerful space in history and human memory. The term 'Holocaust' has been incorporated into contemporary usage to mean "destruction or slaughter on a mass scale" (Oxford English

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<sup>2</sup> The politics of death – delineated in this thesis as the political goals of a State wherein it actively pursues both to *make die* certain citizens while *making live* others.

Dictionary 2018), despite its initial meaning of ‘burnt offering’, or more specifically “a Jewish sacrificial offering which was burnt completely on an altar” (Oxford English Dictionary 2018).<sup>3</sup>

The persecution and genocide as endured by the Jews finds similar victims in the Armenians in the Ottoman Empire<sup>4</sup>, the Bosnians and Croats in Yugoslavia<sup>5</sup>, the Darfurians in Sudan<sup>6</sup> and the Rohingya in Myanmar<sup>7</sup>; all victims of thanatopolitical structures.

A defining structure of the Holocaust, as noted by Agamben, is the concentration camp. Such concentration camp structures are also present today in the detention centres operated by Australia<sup>8</sup>, prison camps operated by the USA<sup>9</sup> and internment camps in China<sup>10</sup>. They have also operated in countries such as Italy<sup>11</sup>, France<sup>12</sup>, Cuba<sup>13</sup> and South Africa<sup>14</sup> among others. In this sense, although Nazi Germany provides a case study that is unique in its time and space specificity, it shares elements of its structural horror in events experienced by minority groups around the world. Even though this thesis focuses on Nazi Germany, the theory and method can be used to explain other examples ranging from democratic, communist, totalitarian and fascist

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<sup>3</sup> It is important to note that for the Jewish community the term Holocaust is not used. *Shoah*, meaning ‘the catastrophe’ in Hebrew is used instead. This is a device to not only reclaim the event, but also to negate any positive correlation between ‘offering’ and ‘sacrifice’, and to denote the event as nothing more than destruction. For the purposes of this thesis, Holocaust is used instead of Shoah to remain consistent with other usages among academic texts, and to align with major Holocaust remembrance associations’ use of the term including Yad Vashem and the United States Holocaust Memorial Museum.

<sup>4</sup> In 1915 the government of the Ottoman Empire systematically destroyed 1.5 million Armenians in its thanatopolitical quest.

<sup>5</sup> Changing geographical borders in 1991 meant a large army of Serbians massacred Bosnians and Croats as part of ethnic cleansing legitimated by thanatopolitical policy.

<sup>6</sup> The government of Sudan singled out its Darfurian citizens for extermination.

<sup>7</sup> The genocide of the Rohingya can be classified as a thanatopolitical act grounded in religious differences (as a form of Foucault’s modern racism).

<sup>8</sup> For example, Nauru and Manus Island offshore detention centres.

<sup>9</sup> Such as Guantánamo Bay.

<sup>10</sup> China currently operates internment camps for Muslim citizens in Xinjiang, ostensibly to complete the detainees “de-extremisation education” (The Washington Post, 2018).

<sup>11</sup> For example, the herding of all illegal Albanian immigrants in 1991 into a stadium before sending them back to their country (Agamben 1995, p. 174).

<sup>12</sup> The *zones d’attentes* in French airports for foreigners seeking refugee status can be classified as a camp (Agamben 1995, p. 174).

<sup>13</sup> The *campos de concentraciones* created by the Spanish in 1896 to quell resistance in Cuba (Agamben 1995, p. 166).

<sup>14</sup> The concentration camps operated by the British for interning insubordinate Boers during the Second Boer War (Agamben 1995, p. 166).

regimes as cited above. Accordingly, the thesis presents a powerful case for the value of Agamben's work in revealing the often unspeakably horrible intersections between politics, law, citizens, business, and accounting.

The Nazi State wished to eradicate the Jews from the German economy, imposing an Aryanisation<sup>15</sup> policy designed to persecute the Jews financially. Legislation<sup>16</sup> that infringed on Jewish employment and business activity curtailed the financial livelihood of the Jews. Aryan take-overs of Jewish businesses simultaneously excluded Jewish influence from the economic sphere and concentrated Aryan ownership. Aryanisation is an important but under-researched aspect of the Holocaust within the accounting literature. This thesis focusses on Aryanisation and argues that it was a necessary step in Nazi strategies oriented toward genocide.

Subsequent to their financial losses, the Jews were subjected to further losses of their political lives and actual lives. The final result was 6 million deaths and near eradication of European Jewry (Valentino 2004, p. 177). Germany transformed from a democratic, capitalistic society into a murderous, State-centric, corporative and fascist regime (Goldhagen 1996; Agamben 1995, 2005; Cinquini 2007). These transformations became easy once the rule of law was abandoned in a *state of exception*<sup>17</sup>. By examining the *state of exception* and the *homo sacer*<sup>18</sup>, this thesis highlights the (in)visibilities and (non)values determined by accounting. It does this through a theoretical structure from which numerous case studies can be explored.

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<sup>15</sup> Aryanisation refers to the financial persecution and degradation of the Jews (see section 6.2).

<sup>16</sup> A list of persecutory legislation named in this thesis is provided in Appendix 1.

<sup>17</sup> The *state of exception* is a concept used by Agamben to reflect a sovereign power's suspension of the juridical order. This act can also suspend civilian rights and the constitution. The *state of exception* provides a space for what would otherwise be the illegal treatment of citizens, legitimised by claiming a crisis. For further discussion see section 4.3.4.

<sup>18</sup> The *homo sacer* is used by Agamben as a 'paradigm' that designates the exiled, the banished, or the politically excluded person who may be killed but not sacrificed, or in other words killed with impunity. For further discussion see section 4.3.3.

### 1.3 Theoretical Structure

The theoretical resources for this structure come from the texts of Giorgio Agamben and Michel Foucault. That structure is presented in Figure 1 below and is briefly explained in an introductory way. Foucault positioned modern (inverted) racism as the core of Statism and political life. Modern racism facilitated the Nazi State's pseudo-scientific categorisation of Jewishness as a race. This was seen as a biological hazard to the Aryan race and accordingly a justification for extermination. Foucault's later work on biopolitics is central to this study's focus on Nazism's

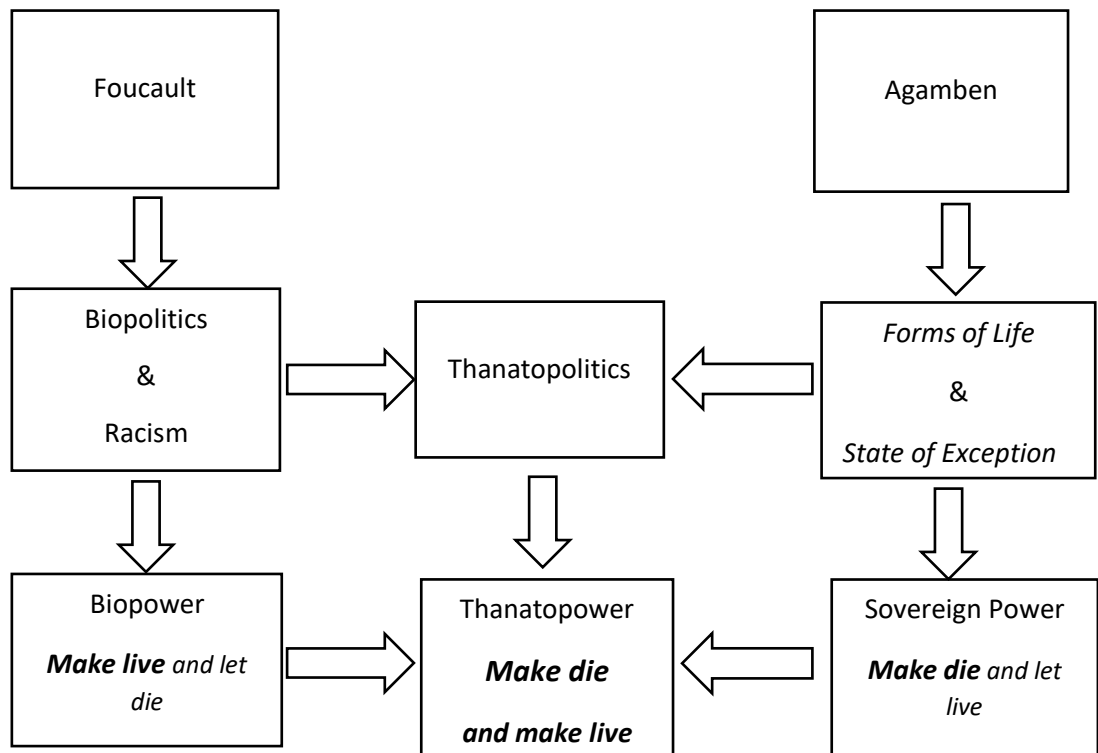


Figure 1 - Theoretical structure of this thesis

extermination of the Jews. He claimed that the concept of biopower provides a rubric to understand actions of the State, with the aim to *make live* (through active intervention of the State in the political and private spheres) and *let die* (through passive means) certain members of the citizenry. The concept of *make live* can be extended to the practice of accounting. Miller

& O'Leary (1987) proposed that accounting was one of the many technologies that played a role in making lives, as part of an apparatus to make a new economic identity grounded in the notion of the governable person. Accounting was operationalised to *make live* the 'efficient' and 'governable' citizen and nation. In a similar way, this thesis considers the way in which accounting, in a broad sense, operates to *make live* the Aryan race.

Giorgio Agamben extended Foucault's work on biopolitics, using the concentration camp as an empirical paradigm. Agamben argued that in states of presumed crisis, the State suspends human rights but does not reinstate such rights once the presumed crisis has passed. This suspension results in a *state of exception*, operating under Foucault's doctrine of sovereign power. Therefore, Agamben proposes a reversion to sovereign power to describe State/citizen relations. This *state of exception* is a space devoid of 'law', where horrendous acts can occur and appear rational. In the suspension of human rights, persons within the state of exception may be stripped of financial and political life (the *homo sacer* and *bare life*) and subject to unfettered State violence without legislative or judicial recourse. In other words, they are *made to die* through active State intervention in the legal, financial, economic and private spheres.

This concept of *make die* was also central to the work of Miller and O'Leary (1987) who examined Foucault's notion of the 'governable person' (Foucault 1979). Taking the factory as a microcosm for the State, the factory foreman *makes die* the working life of people by subjecting them to methods of surveillance (to make workers visible and subject to control), normalisation (to devise a norm for workers and punish those who deviate) and examination (to test obedience to the boss or business). Miller & O'Leary (1987) showed how people are moulded to fit the needs of the factory (State) and of accounting to construct a particular person. In a similar way, this thesis shows how a population was moulded to fit the needs of Nazi Germany, and how accounting contributed to acts intended to *make die* those who deviated from the 'norm'. For



Foucault, Miller and O’Leary, this was a governable person; for Agamben, it is a biologically pure citizen.

Agamben “moves from the field Foucault studied to one he tended to avoid” (de la Durantaye 2009, p. 209), namely the law. The use of law was integral to the progressive economic and social exclusion of the Jews by legitimising racism and anti-social behaviour. Agamben introduces the concept of *forms of life* to help distinguish between those *made to die* and those *made to live*. Agamben holds that animals and plants possess *zoē*, the form of life with which we are familiar. *Zoē* refers to the living organism’s ability to be born, reproduce and die. Humans not only possess this *zoē*, but *bios* as well. *Bios*, for Agamben, is the ability to participate politically. What I term ‘financial *bios*’ is central to this study and extends Agamben’s ideas. Financial *bios* is a human’s ability to participate financially, secure economic well-being and remain financially viable. Foucault’s work, which moved within the economic and political, can be given new insight through Agamben’s work on the legal, his *forms of life* and the addition of a financial form of life as represented through accounting, i.e. financial *bios*.

Accounting provides the dominant mode through which we can understand people’s financial lives, or financial *bios*. Agamben did not address this element of people’s lives, but the gap is not surprising, given the tendency of accounting to operate behind the scenes in its (re)presentations of persons in the unifying language of economics (Arrington 2018). The technologies used by the Nazis to destroy financial lives were accounting technologies, including various taxes and valuation of assets. A central part of the Holocaust story has been left out by ignoring this accounting. Accordingly, the loss of financial life is included as the loss of an important *form of life*, thus connecting Foucault’s economic ideas with Agamben’s political and legal ideas.

During the Nazi *state of exception*, humans were stripped of their financial and political *bios* to become *bare life*, or pure *zoē*. Humans labelled as *zoē* were dehumanised or categorised

as ‘animal.’ This enabled the State to deal with such people in unconditional and unfettered ways, exposing them to persecution, violence, and death within an executive, legally sanctioned space (the *state of exception*). That is, Jews and other undesirables were *made to die*.

The way Agamben aligned with, but moved beyond, Foucault’s thesis<sup>19</sup> was to move from a biopolitical narrative to a thanatopolitical narrative. A thanatopolitical stance by the Nazi State promoted the Aryan citizen (*make live*), and at the same time required extermination of the Jewish citizen (*make die*). The demarcation between the two is provided through Agamben’s *forms of life* as defined by Foucault’s modern racism. The boundary between those with financial and political *bios* and those with only *zoē*, is a line drawn on racial grounds. Those with only *zoē* are placed into a *state of exception*. At the same time, people (Aryans) are *made to live* and Jews (and other undesirables) are *made to die*. In other words, a thanatopolitical agenda (*make live and make die*) comes to the fore. This thesis explores in particular the notion of *make die* through the triptych of losses experienced by the Jews. The first panel of the triptych explores the loss of financial *bios*, a primary contribution of this thesis that connects the ideas of Foucault and Agamben. The second panel examines the loss of political *bios* and the third panel the loss of *zoē* (actual life). These concepts coalesce to form the theoretical structure of this study, that is used to frame the narration of the Nazi State and the Holocaust in terms of the thanatopolitical operation of thanatopower (see Figure 2).

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<sup>19</sup> That is, he accepted his view of biopolitics but then moved on to show how biopolitical States inevitably become thanatopolitical within a *state of exception* framework.

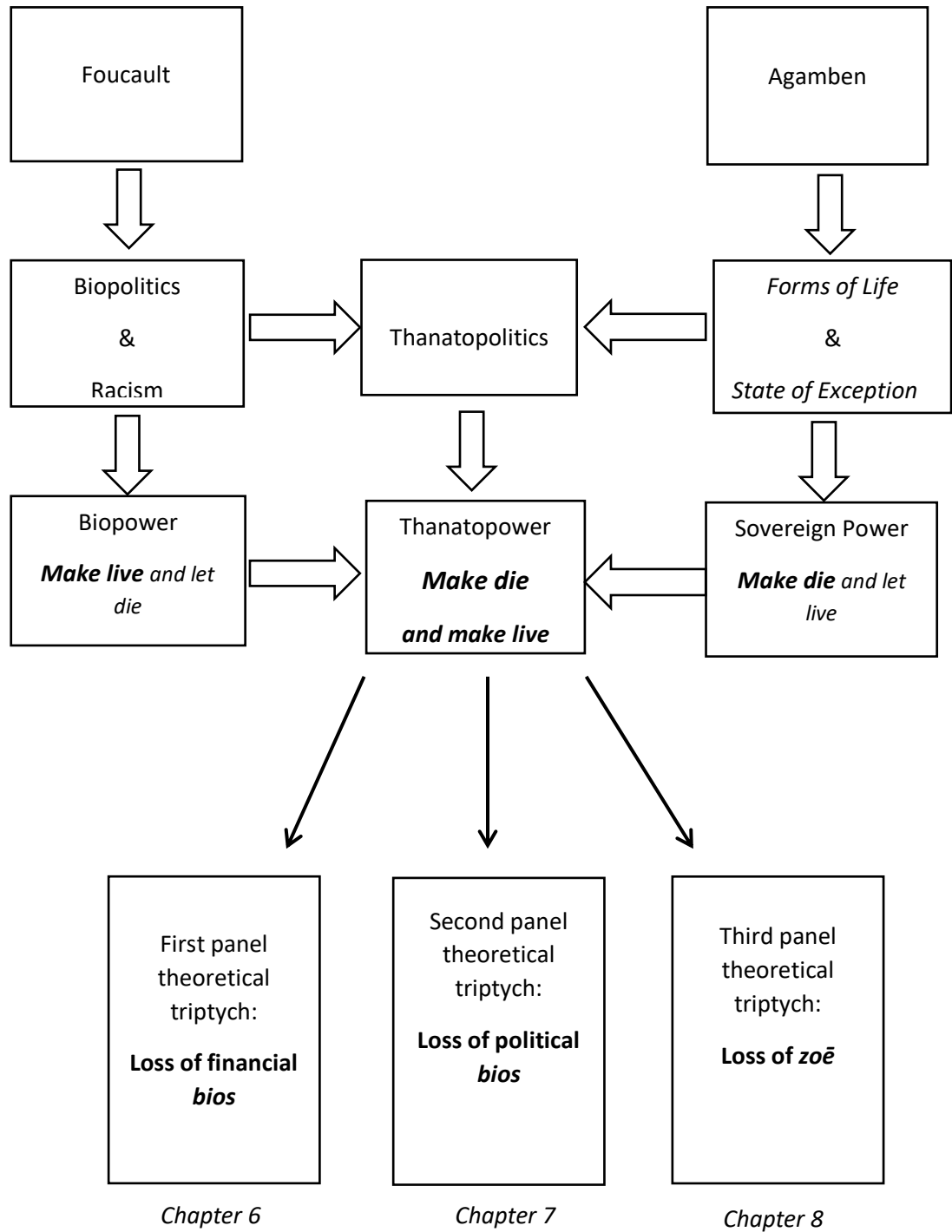


Figure 2 - Theoretical structure including the theoretical triptych

#### 1.4 Methodological Framework

Framed around the theoretical structure just described, this thesis responds to Dillard’s appeal for research “concerned with the effects of power and privilege as they emanate from

exploitative social, political and economic structures” (1991, p. 14), as well as Broadbent et al’s (1997) call to provide more diverse views about the social reality for those ‘on the margins’ of accounting. A critical approach situated within ‘new’ accounting histories is adopted to reveal the use of accounting in Aryanisation and to move accounting from “the less visible [to] more visible” (Lehman et al 2016, p. 68).

As indicated in Figure 2, the thanatopolitical agenda of the Nazi State, particularly that related to the *make die* element, can be framed around a theoretical triptych. Each panel of the triptych is explored through a number of case studies. The case studies have been chosen within the constraints of language, access and geography, to demonstrate the instrumentalisation of Nazi State policy through businesses. The case studies in this thesis represent an accumulation of evidence, taken from primary and secondary sources, and used to construct a cohesive account that reinstates the invisibilities and nonvalues ignored or silenced by business and accounting. Each case was chosen for its reflection of State imperatives, as well as complicity in progressive removal of the financial *bios*, political *bios*, and *zoē* of the Jewish citizens. This research has involved a close-reading of the archival studies of others, legislation, court documents, recorded testimony, decrees, speeches and propaganda, crucial in teasing out the power and privileges endemic within the Nazi State. By looking beyond the visibilities and values of accounting toward the invisibilities and nonvalues, a voice is given to the marginalised ‘Other’ (see Hammond & Streeter 1994; Hammond & Sikka 1996; Funnell 1998; Neu 2000; Annette 2003; Fleischman & Tyson 2004; Fleischman et al 2004; Preston 2006; Lippman & Wilson 2007; Oldroyd et al 2008; Hammond et al 2009, 2011; Heier 2010; Haynes 2010; Killian 2010; Duff & Ferguson 2011; Dambrin & Lambert 2012; Lehman et al 2016; Lehman et al 2018). In doing so, the symbiotic relationship between the State and accounting is shown to be fundamental to the power relations that shape the social, economic and political spheres out of which exiled and diminished identities emerge.

## 1.5 Contributions

The contributions of this thesis are theoretical, methodological, and empirical. The theoretical structure brings together Foucault's biopolitical concept of *make live* and Agamben's sovereign power concept of *make die*, into the thanatopolitical concept of *make live and make die*. The inclusion of financial *bios* as a *form of life* incorporates the financial (represented through accounting) as part of the broader legal, political and economic contexts that transformed the interrelationships between business, the State and the citizenry. Providing this link also connects the ideas of Foucault and Agamben across the discipline of accounting in the government of financial lives. This contribution recognises the transformative role that accounting plays in society as a tool of the State.

This study also illustrates the value of Agamben's work to scholars of accounting histories. The theoretical structure developed from this thesis can be applied to not only historical instances of thanatopower and thanatopolitics, but also contemporary situations, to investigate how a loss of financial life can engender further losses for us, as of now.

The methodology which guides this study follows the work of Andrew (1999), Chwastiak (2001, 2008, 2013), Chwastiak and Young (2003), Chwastiak and Lehman (2008) and Lehman et al (2016), who seek to uncover new knowledge and hidden meanings in accounting's relation to the past. This thesis adds to work that does not operate within the confines of a defined methodology and a rigid view of accounting practices. By critically analysing texts and interpreting the power relations made salient within them, the more dangerous aspects of accounting are revealed, as well as their role in enabling corrupt State practices.

Empirically this study contributes to the extant accounting literature, concerned with 'Othering' (see Hammond & Streeter 1994; Hammond & Sikka 1996; Funnell 1998; Neu 2000; Fleischman & Tyson 2004; Fleischman et al 2004; Preston 2006; Lippman & Wilson 2007;

Oldroyd et al 2008; Heier 2010; Haynes 2010; Lehman et al 2018). It also adds to the research literature in Holocaust accounting studies (Funnell 1998; Walker 2000; Dillard 2003; Dillard & Ruchala 2005; Booth et al 2007; Lippman & Wilson 2007; Lippman 2009). The Aryanisation aspect of the Holocaust focussed on in this study represents a novel contribution to that literature. There is much that analysis of Aryanisation can bring to the accounting literature concerned with how accounting technologies construct histories of the present, particularly in the context of financial lives, financial *bios*.

## 1.6 Organisation of thesis

The remainder of the thesis is as follows. *Chapter two* is an overview of ‘new’ accounting histories, particularly those concerned with slavery, war, death and the Holocaust. This review of the literature provides the context for the theoretical structure developed in this study. This chapter also reveals the assumptions of the thesis in the context of critical theory, discussing how accounting creates (in)visibilities, ascribes (non)values and is deployed from a ‘distance.’ The chapter critically reviews the extant Foucauldian accounting literature, and in doing so articulates the need to extend Foucault-based efforts in accounting history through attention to Agamben’s work. Gaps in the literature are identified and the way in which this work addresses those gaps are clarified.

*Chapter three* provides the historical context for this study by outlining the specific social, political and economic conditions in Germany that led to the Holocaust. An examination of Germany post-World War I and under the National Socialists reveals the matrix of interrelationships and conditions that provided legally and socially acceptable forms of human persecution and extermination. The development of the German accounting profession is also discussed to describe the socio-political context of accounting at the time.

*Chapter four* presents the theoretical structure developed in this thesis. The foundations are provided by Foucault (1976, 1978, 1979) and built upon by Agamben (1995, 2002, 2005, 2011, 2015a, 2015b). The key concepts of this structure, namely the *state of exception*, the *homo sacer*, sovereign power, biopolitics and thanatopolitics are presented as the vehicles to explore State/citizen relations. Thanatopower is revealed as the form of power exercised by the Nazi State. The demarcation of singular life into the *zoē* and *bios* is also examined through the theoretical triptych of the successive losses of life experienced by the Jews, in order to provide an existential interpretation of the consequences of horror.

The methodology of this thesis is discussed in *chapter five*. This study is situated with the 'new' and critical approach to historical research in accounting. The critical investigation pursues a close-reading (teasing out) of materials such as business histories, legislation, decrees, speeches, propaganda, handbooks, court/trial documents, and extended through the inclusion of testimony<sup>20</sup>. A close-reading of these materials provides a way to interpret and understand power relations between business, accounting practices and the Nazis. As such, the methodology for this study is hermeneutic rather than positivistic; that is, it is concerned to reveal modes of interpretation and understanding, rather than simple description of 'facts.'

From here, the losses of financial, political and actual life experienced by the Jews throughout the Holocaust are mapped in three stages. *Chapter six* addresses the first panel of the theoretical triptych (financial loss of life) through case studies of Degussa, Deutsche Bank, and I.G. Farben. These companies enabled Aryanisations and the loss of the financial *bios* of Jews: a precursor of the genocide to follow. The loss of financial *bios* deprived the Jews of a financial livelihood, which effectively expelled them from the German economy. The complicity

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<sup>20</sup> The testimonies included here are a sample within the domain of available testimonies from the voices of the victims.

of businesses, and thereby accounting, in facilitating racist State ideology is discussed to reveal how they contributed to *making die* the Jewish businesses and owners.

*Chapter seven* examines the forced and slave labour operations of Degussa, I.G. Farben, and Ford Werke through the second panel of the triptych, to reveal how loss of political *bios*, dehumanised the 'Other'<sup>21</sup> (the Jew). The complicity of businesses in facilitating State ideology and decree on the use of forced and slave labour is discussed. These businesses are further implicated in the use of involuntary labour through the inclusion of survivor testimony. This chapter reinforces the complicity of business and accounting in implementing racist and persecutory policies under the auspices of thanatopower, against citizens en route to their deaths.

*Chapter eight* addresses the third panel of the triptych and final loss, the loss of life (*zoē*). The operations of Degussa and I.G. Farben (in partnership) are examined to show the role of business and accounting in the production, distribution and use of Zyklon B, the gas agent used to kill the Jews in the death camps. After the loss of financial and political *bios*, the Jew is reduced to pure *zoē* and is killed not as a human, but as designated *bare life* (Agamben's *homo sacer*). These discussion chapters demonstrate the thanatopolitical ideology underpinning the Nazi State, enabled through its creation of a *state of exception* that was ultimately inhabited by *zoē*. Testimony is woven through discussion in chapters seven and eight as a way of bringing the human experience to the fore, previously silenced by technologies such as accounting. This is an extreme moment within the broad machinery of accounting as it erases persons in the name of motivated numerology (Funnell 1998; Chwastiak 2001, 2006, 2008).

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<sup>21</sup> The use of this term has troubled me. It has been used in this thesis in order to situate the study within the accounting literature of 'Othering.' I acknowledge that reference to the 'Other' is in itself a form of objectification, as is any act of naming. After much debate I use this term both hesitatingly and reluctantly, in the absence of a similar word that could designate the same meaning within the literature.



*Chapter nine* provides the conclusions for this thesis, implicating accounting in State-sanctioned violence against citizens. The compartmentalised story provided by accounting, through inclusion and exclusion in accounts, contributes to the destruction of *bios*. Subjectivity becomes erased by numerals devoid of meaning (Funnell 1998). This chapter outlines the theoretical, methodological and empirical contributions of this thesis and suggestions for future research.

The next chapter provides a review of the extant literature on 'new' accounting histories, particularly those relevant to this study including accounting for war, slavery and the Holocaust. The tenets of critical accounting are discussed as well as critical Foucauldian studies in accounting. From here, gaps in the literature are identified as well as how this thesis addresses some of these gaps and, as such, contributes to the literature. Through it all, the primary focus will be on the existential force of accounting and business rationales and techniques over the lives and deaths of persons. My intention is to provide robust theoretical ideas to critical accounting studies designed to expose the potential horrors of such technologies.

## Chapter Two Literature Review

There is not one but many silences, and they are an integral part of the strategies that underlie and permeate discourses.

- Michel Foucault 1978, p. 27

### 2.1 Introduction

This chapter offers a review of the accounting literature relevant to this thesis. The purpose is to review 'new' accounting histories, tenets of critical accounting research and Foucauldian accounting studies to identify gaps within the literature. Following this review, I highlight the contributions of this thesis in addressing some of these gaps. The chapter is presented as follows. Section 2.2 outlines the importance of accounting history research. The differences between the 'traditional' and 'new' approaches to accounting history are discussed in section 2.3. Section 2.4 reviews the 'new' accounting history literature, particularly that related to accounting for slavery, accounting for war, and accounting for the Holocaust. The idea that accounting can make (in)visible and ascribe (non)value, while performed at a distance from the subjects is considered particularly relevant to the current study and is explored in section 2.5. Section 2.6 acknowledges the contributions of the Foucauldian accounting literature. Concluding comments are offered in 2.7, addressing the gaps in the literature and outlining the contribution of this study to Foucauldian, critical accounting and Holocaust accounting work.

### 2.2 Accounting history research

Accounting history research saw a "substantial expansion and maturation of its research agenda" (Fleischman & Radcliffe 2005, p. 61) in the 1990s. It was during this time that accounting history research moved from a traditionalist approach of 'retelling history' to a 'new' (critical)

approach that viewed historical events from various theoretical perspectives. The next section will discuss the importance of accounting history research, first by explaining the link between the past, the present and the future. Second, it is suggested that studying accounting history grounds present accounting practice and delineates the possibilities for accounting.

It can be argued that accounting history is not a collection of facts gathered to tell *the* story of what happened, but rather a continuous investigation to tell *a* story, out of the multitude of possible stories from the historical past. Not only does accounting history offer insight to the problems of the present and future, it illuminates the choices made in the past that have shaped contemporary practices and understandings. It helps to suggest “the ways in which accounting might otherwise have been” (Young & Mouck 1996, p. 144) and as such the potentialities for accounting. A further purpose in the study of accounting history is to situate accounting practice in its different sociocentric and temporal contexts. As Carnegie and Napier explained “if we ignore the historical perspective, current accounting practice and ideas appear rootless, evanescent and arbitrary” (2012, p. 353). Exploring the powerful and pervasive role of accounting in society since ancient civilisations (Carmona & Ezzamel 2005) furthers the notion that accounting is not a technical and value-free exercise, but is instead a social practice that can impact on the lives of people in varying and sometimes devastating ways (Miller & O’Leary 1987).

Any accounting history is necessarily grounded in the assumptions of the researcher. Walker states “that all evidence is subject to multiple interpretations” (2008, p. 299), so the interpretation must be articulated within the researcher’s ontological and epistemological beliefs. Gaffikin suggests that it is the role of responsible researchers to know, and make known, “on what basis they can make their claims to valid knowledge” (2011, p. 237). Responsible researchers will also acknowledge that their ontological and epistemological foundations will transform “what will be described and the way in which the material will be organised and

explained” (Stewart 1992, p. 60). Two major approaches have been identified in accounting historiography since the late 20<sup>th</sup> century<sup>22</sup>, namely ‘old’ (traditionalist) or ‘new’ (critical). The examination of the ‘traditional’ approach has been addressed in the literature (see Hopwood 1983, 1985, 1987; Miller et al 1991; Morgan & Wilmott 1993; Fleischman et al 1996; Napier 2006; Carnegie 2014, among others). As this study is situated within the ‘new’ approach to accounting history, an outline is provided in the following.

### 2.3 “New” approach to accounting history research

‘New’ (and critical) accounting histories situate accounting in the context within which it operates (Stewart 1992; Funnell 1996; Laughlin 1999; Fleischman & Radcliffe 2005; Napier 2006; Carnegie & Napier 2012). ‘New’ critical accounting historians seek to uncover structural conflict, modes of domination, possibilities for radical change and opportunities for human potentiality and emancipation (Burrell & Morgan 1979, p. 18), by framing their research within theoretical structures.

Accounting endorses and reinforces particular social constructs, political systems and institutional practices which have had extreme consequences for humanity. It is these impacts that are the focus of ‘new’ critical accounting histories. ‘New’ accounting histories have sought to reveal connections between accounting as a technical apparatus and its socio-political context (see Tinker et al 1982; Hopwood 1983, 1987; Miller and O’Leary 1987; Richardson 1987, Morgan 1988; Covalleski & Dirsmith 1995 among others). In this realm, accounting and accountants are seen as “enmeshed in a process of reality construction. They grasp and

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<sup>22</sup> The ‘old’ vs. ‘new’ debate was a feature of accounting history discussions in accounting academic literature during the 1990’s. It is important to note that this debate was held in other disciplines such as history and social sciences. Additionally, some have argued that a third approach should be included instead of the ‘old’ vs. ‘new’ dichotomy i.e. post-modern approaches to history (see Montagna 1997; Arnold 1998; Merino 1998; Gaffikin 2011; Oldroyd & Tyson 2017). Indeed Oldroyd and Tyson call for that post-modern approach to replace the ‘new’ terminology (2017, p. 31).

articulate complex realities in partial ways, and these graspings and articulations help to sustain the realities *as perceived*" (Morgan 1988, p. 484).

Accounting is seen as complicit in the construction of social, economic and political reality as well as being a socially, economically and politically constructed process (Covaleski & Dirsmith 1995; Alagiah 1999). One of the many powers of accounting is its ability to legitimise perceived inequitable, immoral or corrupt practices. Further, "a considerable body of scholarship has examined the possibility that accounting may reproduce dominant and oppressive social orders" (Fleischman 2004, p. 18). These views reinforce the idea that accounting is not a stagnant practice but rather a powerful practice that is constructed according to context. The idea of a dynamic accounting practice operating within contexts, instead of in a vacuum, has been embraced by many researchers (see Tinker 1980; Hopwood 1983; Covaleski & Dirsmith 1995; Bailey 1990; Lovell 1995; Oldroyd et al 2008; Walker 2008). As Kiparisov explained:

with the development of human society there is created a stimulus for a quantitative and qualitative reflection of the total process of social reproduction. Material production gives rise to accounting, which is socially conditioned, and so for each socio-economic formation there is an appropriate kind of accounting. Accounting is different in content when there is placed before it different aims realized by different methods (1936, pp. 1-3, cited in Bailey 1990, p. 513).

What has been "'labelled as accounting' in the specific spatio-temporal sites" (Walker 2008, p. 308) may differ from contemporary practices of accounting. Researchers such as Carnegie and Napier (2012) and Sargiacomo et al (2012) claim that some studies may feature an accounting that is unrecognisable to contemporary accounting, but which has contextual meaning and value. This thesis adopts a broad view of accounting that is open to all possible accountings (Arrington & Francis 1993; Gray et al 1997; Zhang et al 2012; Broadbent & Laughlin 2013; Lehman et al 2016), consistent with Miller's (1998) idea that no definitive answer can be given as to what should be inside or outside accounting.

The study of accounting in context places the practice within a time-specific space to attribute meaning to it and to draw connections between it and constructed reality. Hopper and Powell (1985), Miller (1990), Scapens (1996) and Funnell (1998) have all argued that the researcher cannot ignore the wider social and political contexts, and suggest that if accounting is not placed in its spatio-temporal context, much of the research loses meaning, force and interest. Accounting is a chameleon “which may assume various forms depending on the context” (Sinclair 1995 in Sargiacomo et al 2012, p. 408).

The contexts of critical accounting histories have included the Holocaust (see Funnell 1998; Walker 2000; Dillard 2003; Dillard & Ruchala 2005; Booth et al 2007; Lippman & Wilson 2007; Lippman 2009); slavery (Heier 1988, 2010; Fleischman & Tyson 2000, 2004; Fleischman et al 2004; Oldroyd et al 2008; Hollister & Schultz 2010); colonialization (Neu 2000; Dyball et al 2006; Preston 2006); Venetian assassins (Sargiacomo et al 2012); war (Chwastiak 2001, 2006, 2008, 2013; Funnell 2006; Chwastiak & Lehman 2008); Stalinism (Bailey 1990); Napoleonic occupation (Maran et al 2016); race relations (Hammond & Streeter 1994; McNicholas et al 2001; Nandan & Alam 2002; Annisette 2003; Poullaos 2009; Hammond et al 2011) and Catholic Church reform (Bigoni & Funnell 2015). Such studies positioned accounting as a part of the wider social fabric that impacts upon humanity. These authors all subscribe to the new approach to accounting history and in particular advocate the need to contextualise accounting studies and highlight the role of accounting in the reinforcement of power and social arrangements.

## 2.4 “New” accounting histories

The ‘new’ accounting histories mentioned in the previous section represent important contributions to the accounting history literature. The contributions towards accounting for slavery, accounting for war and accounting for the Holocaust are further explored due to their relevance to the current study.

#### 2.4.1 Accounting for slavery

An early study implicating accounting as part of the constellation of mechanisms that perpetrated slavery was Heier (1988). Heier examined the *Cotton Plantation and Record Account Book* produced by plantation owner Thomas Affleck. This book was distributed to other plantation owners to help track their slaves, cotton, expenses and profit. Heier asserted that the books provided “a unique view of accounting practices and plantation management methods that could have been in widespread use throughout the southern cotton district just prior to the Civil War” (1988, p. 144).

Plantation slavery was again studied by Fleischman and Tyson (2000), who detailed records of Hawaiian sugar plantations. Their motivation lay in considering the interface between race and accounting, which they claim represented a “shortfall of work” (2000, p. 10) in the accounting literature, with the exception of Funnell (1998). Their research highlighted the importance of studying accounting in service to racism, concluding that “race, rather than efficiency, served as the primary measuring calculus of plantation work” (Fleischman & Tyson 2000, p. 7). Fleischman and Tyson called for further research within this “severely understudied” (2000, p. 29) aspect of the accounting literature.

This call was answered by the authors themselves, who utilized Affleck’s record book and built on the work of Heier (1988) in their study of accounting for racism in antebellum America (Fleischman & Tyson 2004). They went further in this study to link accounting to racist policy and to the “commoditisation, objectification, and dehumanisation of an entire class of people” (2004, p. 376) that contributed to the prolongation of slavery’s institutions. Fleischman and Tyson link accounting rationality to political decisions that resulted in de-valuing individuality and treating humans essentially as “beasts” (2004, p. 387). Reinforcing the conclusions from their earlier work, Fleischman and Tyson suggested “that accounting for slave costs was far less important than accounting for slave control” (2004, p. 392). Accounting, they

argued, was not used solely to report on accounting concepts, but to “reproduce dominant and oppressive social orders through such potentially corrupting institutions as the State and markets” (2004, p. 393). Accounting was therefore a tool used by the slavery institutions to prolong the degrading act of slavery by giving primacy to the economic instead of the human.

Fleischman et al (2004) broadened the scope of the literature to include slavery institutions situated in the British West Indian plantations. Fleischman et al argued that “slave plantations could not have functioned without valuing the slaves from time to time” (2004, p. 52), and this valuation supported the notion that slaves were economic resources, just like livestock. Fleischman et al (2004) considered that the valuations that served to dehumanise the slaves also “re-enforced the view that slavery was first and foremost about business” (2004, p. 54). They concluded that “far from condemning slavery, the accounts helped justify it in the face of mounting pressure for its abolition” (2004, p. 56).

Oldroyd et al re-examined slavery in the British Empire and antebellum American from a ‘virtue in accounting’ perspective, and presented the view that accounting, while used as a repressive practice, had the potential to be used “to support emancipation in society” (2008, p. 764). This view proposed that emancipation was facilitated through accounting practices that compensated slave owners for abolition. Oldroyd et al observed that “accounting was being used to legitimise the institution [of slavery] by promoting it as a normal, and indeed scientific, business activity” (2008, p. 765). Accounting was used to control the slaves and also to perpetuate the myth that slaves were less than human (Oldroyd et al 2008, p. 771). They suggested that while accounting practices perpetuated institutions of slavery, accounts “also served the moral end of helping to protect the lives of slaves by providing the managers with appropriate incentives, albeit from the purely self-interested motive of preserving the value of the plantations’ most important productive resource” (2008, pp. 776-777). Oldroyd et al (2008) linked accounting to the indirect promotion of slave health and well-being, so far as it correlated to good business practice. Their paper illustrates accounting’s flexibility as an instrument of



social control in that it “could serve both ends” (2008, p. 780). The conclusions of the paper divert from previous research and make arguments for accounting’s emancipatory role after the abolition of slavery. This emancipatory role could be best described as an unintended consequence that remained in service to slave owners and capitalism.

Heier (2010) reconnected accounting for slavery to human suffering by examining the Antebellum Virginian slave trade. Heier (2010) helped to fill a gap in previous accounting for slavery literature by focusing on the slave trade itself, rather than the methods used to account for slaves. By examining the archival data from two slave-trading businesses, Heier (2010) presented a ‘haunting’ account of business that engendered human suffering. Heier (2010) outlined that the sale process of slaves could be likened to property transactions, complete with formal documentation (2010, p. 62). Slaves would be lined up like livestock, examined for health, scars from the whip and for childbearing capacity (Heier 2010, p. 65). Like other assets, slaves had valuation issues, most of which stemmed from the devaluation of Confederate currency in June 1861 (Heier 2010, p. 74). The overarching concern of Heier’s is that the business of suffering perpetuated by practices such as accounting must be rectified; a message that can apply to contemporary instances of human mistreatment.

Through an examination of the accounting records of a slave owner and an emancipated slave, Hollister and Schultz (2010) expanded the accounting for slavery literature by “shifting the focus from those large plantations to the smaller family farms of the northeastern USA” (p. 372) and by including the often ‘silent’ account of the slave. Hollister and Schultz (2010) started from the view of Oldroyd et al (2008) that accounting had emancipatory capabilities. However, their examination of the accounting records point to a contrary view, namely that slaves were dehumanised and treated as chattels under the control of the slave owner. In their investigations, Hollister & Schultz traced the transition from slave to emancipated citizen in the ledgers of a former slave (John Hasbrouck) kept by the Elting family (former slave owner) and

by Hasbrouck himself (2010, p. 387). Contrasting the slave operation in the North and South of America, Hollister and Schultz demonstrated how accounting helped establish Hasbrouck's "own economic identity after emancipation" (2010, p. 401). They concluded, in line with Oldroyd et al (2008), that "one is looking at two...accountings working in opposite directions, the one to oppress, the other to sustain life or liberate" (2010, p. 402).

The accounting for slavery literature reveals the use of accounting as a legitimising tool for institutions that engender human degradation and suffering. This is in spite of its 'emancipatory capacity' as proposed by Oldroyd et al (2008) and Hollister and Schultz (2010). The literature broadly agrees that accounting was used as a business technique to value and control the slaves as economic 'commodities.' The human consequences of slavery were made invisible or given no value through the rhetoric of financial accounts. Unlike the experience of slave labourers during the Holocaust, the accounting literature for slavery presents the slaves as having some form of value, albeit as assets with productive capacity. This thesis examines the outcomes for slave labour that was given no value, and where preservation of human life for the sake of business was inconsequential.

#### 2.4.2 Accounting for war

The 'accounting for war' literature reveals how accounting is used to represent war as 'normal' or 'rational', primarily by translating the horrors of war into numbers. Chwastiak first questioned the perceived 'neutral' role of accounting for defence contracts, concluding that "accounting does not provide unbiased information...but rather assists with legitimising [a] form of 'corporate welfare'" (1998, p. 357). Chwastiak (2001) then investigated the emergence of Planning, Programming and Budgeting (PPB) in the United States as a 'value-free' exercise undertaken to allocate defence resources. Chwastiak demonstrated how the economics of defence were "elevated to a position of supremacy, transforming the planning for war into a

routine resource allocation exercise, rather than an insane preparation for genocide” (2001, p. 501). She proposed that PPB normalised war by converting the ‘unthinkable’ into a resource allocation program, represented through accounting figures used to translate war into economics. Chwastiak concluded that “accounting is a form of representation [which] is, itself, a political act” (2001, p. 502), effectively tying accounting practice to the broader political framework. This paper also examined the silences engendered through a focus on accounting concepts, determining that such focus can have destructive consequences for human beings (Chwastiak 2001, p. 514).

Chwastiak extended her investigation into PPB by examining its use during the Vietnam War (2006). She argued that the use of PPB changed visibilities in the Department of Defense such that “US leaders believed that the Vietnam War could be won through the proper management of resources” (2006, p. 29). She explained that despite PPB and accounting as techniques to win war, controlling the economic aspects did not change war itself (Chwastiak 2006, p. 30). Furthermore, the dehumanising rhetoric of ‘technique’ created action at a distance, which “reduced the enemy to a quantifiable abstraction” (Chwastiak 2006, p. 34). She maintains that this served to justify war and its violent consequences under an instrumental rationality legitimised through the language of accounting. Ultimately, the paper shows that “when accounting is used to measure performance in situations for which it is ill suited, unintended consequences can result” (Chwastiak 2006, p. 29). Essentially, she claims that accounting does not represent situations in their entirety, and presenting it as if it does can increase human suffering, destruction and death.

In examining the changes to military accounting in response to the South African War (1899-1902), Funnell explained that the ideological or political instrumentality of accounting “can be harnessed to promote distinct interests” (2006, p. 720). War was translated and normalised into a business activity which required the technical knowledge of accounting to facilitate it. Accounting reports provided the military with information for decision making that

would make “the most efficient use of available resources” (Funnell 2006, p. 726). Funnell explained that at times of political crises, “of which war is the most extreme form, the ideological possibilities and intent of government accounting become more obvious and contested” (2006, p. 745). Thus, State accounting becomes imbued with State ideology, implicating accounting as a tool of political will.

The notion of silences, or invisibilities, in accounts was again examined by Chwastiak (2008) in her investigation of U.S. war budgets and their exclusion of the human costs of war. Chwastiak sought to fill some of these silences by providing “a social accounting for war that goes beyond the economic by documenting the human and social consequences of conflict” (2008, p. 573). Chwastiak sought to make visible what accounting had previously rendered invisible, namely “the toll of war on humans and society” (2008, p. 574). Chwastiak argued that silencing the human side is necessary for States to legitimise war to its citizens. Using accounting as a “language which obfuscates death and destruction” (2008, p. 575) lends further credibility by normalising war as necessary and couching it in economic terms. Accounting is used to mystify “the human and social consequences of war [so] that the U.S. government is able to convince the citizens that conflict is a reasonable means to achieve an end” (Chwastiak 2008, p. 586). As an alternative, Chwastiak pointed to the emancipatory potential of social reporting (2008, p. 573) which can make visible that which accounting has silenced.

This notion was carried through to Chwastiak and Lehman’s (2008) study which suggested that accounting is a product of the ‘social imaginary’ (Taylor 2002) of modernity. Chwastiak and Lehman argued that “accounting is a form of cultural violence in that it legitimises the exploitation inherent in a capitalist economy by reconstructing [war] positively as productive, necessary and normal” (2008, p. 313). Chwastiak and Lehman drew parallels between war and accounting, noting that they both “render violence more doable by denying the intrinsic value of “the other” through employing a dehumanized rhetoric and creating a distance between the perpetrator and the victim” (2008, p. 314). They also critiqued the use of

accounting as a legitimising enterprise that condenses activities to a certain value (or nonvalue) which makes war appear as a reasonable business venture (Chwastiak & Lehman 2008, p. 314). By reducing all problems and concepts to economics, the intrinsic worth of the (un)measured is lost. The language of accounting provides “the only discourse by which problems can be credibly discussed” (Chwastiak & Lehman 2008, p. 317). They implicated accounting in the “endless cycle of violence” (Chwastiak & Lehman 2008, p. 321) that devalues human beings and rationalises inhumane acts in the name of economics. They show in a manner similar to Funnell (1998) and Neu (2000) that accounting utilises ‘action at a distance’ to divorce means from ends, which then “enable[s] modern forms of genocide” (Chwastiak & Lehman 2008, p. 321). Accounting is presented as a technology that only measures the economic and which ignores the destructive consequences of measured activities.

The ‘accounting for war’ lens was applied to the Iraq War by Chwastiak (2013). Chwastiak incriminated accounting as an instrument by which corporate welfare and fraud “has become institutionalised, rationalised and normalised” (2013, p. 34). After the destruction of vital infrastructure in Iraq by US-led campaigns of war, US companies entered to rebuild, resulting in massive profits. Chwastiak argued that the “prime contractors took advantage of their monopoly position in an anarchic setting with virtually no rules to enrich themselves at the expense of everyone else” (2013, p. 41). This corruption was enabled through accounting practice which served to legitimise the actions of predatory capitalism and fraud as normal business activities. From this we see that accounting serves not only the needs of business and capitalism, but also the State.

The ‘accounting for war’ literature has shown that accounting is a representational act that is inherently political. As a tool (or weapon) used by a State to implement, legitimise and instrumentalise political will, accounting has a concealed power that helps transform State/citizen relations. Accounting helps silence the non-financial aspects of war, in order to

normalise war in economic terms and dehumanise people. The 'accounting for war' literature focuses on the notion of a traditional external enemy. This thesis will extend the concept of war to an internal, racial war. The Nazi State focussed its war against Jews on the internal citizen, by deploying the rhetoric of accounting as a tool to obfuscate the financial and political persecution of the Jews. Thus, the 'accounting for war' literature can be extended by reforming the Holocaust as an internal war waged upon a State's own citizens and legitimated through accounting representations.

### 2.4.3 Accounting for the Holocaust

Holocaust research is methodologically fraught, given the impediments around data availability. Of the studies addressed in the following, there has been limited access to archival financial records. This is primarily due to the destruction of data ordered during the final days of WWII. Scholars have instead relied on sources obtained by other authors, business cases or histories, or secondary translations of publicly available documents (see Funnell 1998; Walker 2000; Dillard 2003; Dillard & Ruchala 2005; Booth et al 2007; Lippman & Wilson 2007; Lippman 2009). Brief outlines of these papers are provided in the following.

Funnell's 1998 paper was the seminal work that implicated the practice of accounting in the perpetration of the Holocaust. Funnell presented accounting as part of the bureaucratic processes that operationalised the persecution of the Jews from 1938-1945. Funnell located accounting as a technology of government that formed "part of the structure of controls and practices....contrived to deliver efficiency and effectiveness in the service of the State" (Funnell 1998, p. 439). Funnell exposed the social significance of accounting in an extreme case in adopting a broad definition of accounting as "a technology of inscription that provides information for decision making which leads to action" (1998, p. 440). Funnell relied on the

historical accounts of Hilberg (1983), Bauman (2001), Browning (1980), Goldhagen (1996) and Arad et al (1981) as the source of his data.

Funnell also addressed the “ability of accounting to privilege a limited set of interests...to deny a voice for the excluded or the ‘Other’” (1998, p. 438). He demonstrated how accounting became a version of ‘Nazi-Deutsch’<sup>23</sup>, aligned with the network of euphemisms designed to hide the true intent of Nazi policy regarding the persecution and eradication of the Jews. He explained the mutual dependence between accounting and the State:

the rationales which the Nazi State accorded to accounting gave accounting a level of significance and power far beyond its obvious recording and reporting roles. At the same time, accounting provided the State with what appeared to be a neutral and, more importantly, disinterested technology of accountability which allowed the State to characterise its actions to those who participated in the killing as nothing more than a technical process (1998, p. 458).

Funnell portrayed accounting as a technology of government to achieve particular political and ideological ends: in this case, Nazi political and ideological ends. Accounting has consequences, both intended and unintended, and in cases such as the Holocaust these consequences are unspeakably horrific.

Walker’s study (2000) examined the Fifth International Congress on Accounting in Germany in 1938, particularly the behaviour of British accountants who attended despite rumours of Jewish persecution. Walker focused his study around 1938 and questioned why the Congress was still held, and attended, in Germany despite international concerns over Nazi policy and Jewish persecution. Walker also examined the reprofessionalisation of the accounting profession within Germany, framed around both Aryanisation policy and party-State control. Walker argued that “expert knowledge was not to be applied in the pursuit of traditional notions

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<sup>23</sup> Nazi-Deutsch is the style of German language used during the Nazi period to disguise the true meaning of words or phrases. Euphemisms of Nazi-Deutsch were frequently used, including the ‘Final Solution’ as a mask for genocide, and ‘selection’ for transfer to the death camps (Dawidowicz 1976; Friedlander 1980).

of altruistic service but for the achievement of National Socialism” (2000, p. 225). He suggested that the German accounting profession became wedded to the institutions of the Nazi State, especially as forced Aryanisation were mandated by 1938 laws. Accountants, he argued, became integral to the Nazi State as the vehicle for the implementation of ‘economic order’ through Nazi ideology. While Walker was able to access archival material (primarily the minutes of the Fifth Congress held by the Institute of Chartered Accountants of Scotland), he seemed to be constructing a narrative of two different accountants in 1938: the British ‘professional’ and the German Nazified bookkeeper. This study is contextually relevant to this thesis as it contrasts the Nazi accountancy profession to the Anglo experience, highlighting the lack of the German accountants’ autonomy and the intervention of Nazism.

Dillard relied on the business history of Black (2001) that connected IBM and accounting systems with the Jewish genocide. Dillard framed his study in terms of instrumental rationality, using the story of IBM and the Holocaust to demonstrate “the ability of ideology to control and destroy through the professionals who develop, implement, and service technology” (2003, p. 3). He highlighted how the punched card technology provided by IBM enhanced “identification and surveillance capabilities on both a broad scale and an individual level” (2003, p. 7). He suggested that accounting was a means to render the Jewish population visible through its calculative gaze, as it sought to efficiently “accumulate, manipulate, organise, and interpret larger and larger quantities of data” (2003, p. 7). While his paper attended more to the information systems used during the Holocaust (including accounting systems), he related accounting to the punched card technology which distorted the objective characteristics that were measured. He concluded that “professional expertise coupled with modern technology and administration provides incredible possibilities for humanity” (2003, p. 12). Dillard revealed how the ‘rational’ choices of men such as Hitler and Watson<sup>24</sup>, implemented through

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<sup>24</sup> Thomas Watson was the CEO of IBM.



instrumental rationality, led to the 'Final Solution', as well as profits for IBM. Through the IBM case study, Dillard demonstrated the usefulness of business histories in illuminating the role organisations played in perpetrating the Holocaust. This thesis has a similar focus on corporate complicity.

Dillard revisited his 2003 paper, co-authoring a 2005 work with Ruchala, to argue that administrative rationality is inherent in administrative hierarchies, inevitably resulting in administrative evil. Inspired by Adams and Balfour (1998), Dillard and Ruchala traced how administrative evil manifests within work environments. They argued that:

the large-scale forms of organisational violence – such as the “normalisation” of nuclear war through budgetary practices or the facilitation of the Holocaust through the use of “counting machines” – differ only in magnitude from the daily acts of organisational violence, legitimised by rational economic analysis (2005, p. 610).

Dillard and Ruchala (2005) assert that 'administrative evil' is enabled through accounting, accountants and accounting information systems, to form a hierarchy of accountability that seeks to promote economic imperatives over human values and dignity. Accounting is seen to foster administrative evil and to enable and conceal abdication of moral responsibility. Utilising Kelman's (1973) theorisations, the conditions of authorised violence, routinisation and dehumanisation of the victim are illustrated through accounting examples obtained from the Holocaust. Dillard and Ruchala offer critical theory as a potential framework to 'unmask' administrative evil.

While a study of accounting during the Holocaust is not the main thrust of Dillard and Ruchala (2005), this work is of particular importance to Holocaust literature and to the current study. Using Holocaust illustrations, Dillard and Ruchala revealed how “administrative evil is obscured behind layers of processes and structures, beginning with the unquestioned

commitment to the neoclassical economic calculus”<sup>25</sup> (2005, p. 625). They proposed that accounting forms part of the processes layered behind not only the economic calculus, but the political ideology of government. The hierarchical forms of accountability are reflected in Foucault’s (1977a) concept of disciplinary power, in which they argued that accounting is enmeshed in organisational and State-initiated violence, and that any State derived purpose can be delivered through administrative evil. This includes State-sanctioned acts such as the Holocaust.

Booth et al (2007) presented a business case study, set in the Nazi era, to unmask the ‘dark side’ of organisational culture. Using the example of Bertelsmann (a German publishing company), Booth et al argued that “organisations are not only accountable for past activity, but also for previous, often misleading, historical accounts of their behaviour” (2007, p. 625). Drawing on Martin’s (1992, 2002) organisational culture perspectives, Booth et al relied on a business history<sup>26</sup> to highlight the dilemmas of truth and relativism when investigating an organisation’s past. They argued that organisations must make use of integrationist discourse<sup>27</sup> to embrace aspects of an organisation’s past that may implicate past behaviour in “war, racism, slavery, and repression, or a disregard for human health and welfare” (2007, p. 640). This notion is reinforced by a range of business histories commissioned from the 1980s that unveiled business activity during the Holocaust, and that form the basis for historical inquiry in this thesis (see Hayes 1987, 2004; Hamburg Foundation for Social History 1987; Mommsen 1996; Billstein et al 2000; James 2001; Black 2001).

Lippman and Wilson (2007) examined the role of accountants during the Holocaust, and their escape from charges of moral culpability. They defined accounting as the “ability to inform and affect decisions” (2007, p. 285), which included the Nazi State’s decision to eliminate

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<sup>25</sup> This is problematic as Nazi Germany utilised corporative economics and was not committed to the neoclassical economic calculus.

<sup>26</sup> Fischler (1998) undertook a business history of the publishing firm Bertelsmann that exposed its previously concealed connections to the Nazi State.

<sup>27</sup> As part of the organisational perspective of integration (Martin 1992, 2002).

people. Lippman and Wilson condemned accountants for not considering the cost of human suffering, or the lives lost. The authors also argued that “accountants preparing the information must have been aware of the operations” (2007, p. 290), further implicating accountants in the perpetration of the Holocaust. Lippman and Wilson connected accounting to slave labour operations<sup>28</sup> and the Jewish genocide through its complete disregard for human qualities and suffering. They surmise that “accounting information can have severe ramifications [for people], and accountants’ responsibility for such information may change the way accountants work and ultimately the decisions made” (2007, p. 299).

The most recent work to investigate accounting and the Holocaust<sup>29</sup> is Lippman (2009). This work focussed on ethical education, particularly as it related to the accountants’ responsibility for the preparation of financial statements. She used the example of a concentration camp income statement from Kogon (1946) to design a teaching tool for teachers. In various stages, she reveals the true nature of the ‘objectively neutral’ income statement, as well as some of the horrific sources of ‘Other Income’, including selling the fat and hair of deceased slave labourers for a profit. This article provides thought-provoking analysis for students to consider the critical nature of accounting and the importance of the ‘silences’ in accounts. Lippman considered the accountants at fault since “their reports hid the human dimension of what occurred” (2009, p. 76). While this work provides an excellent resource for the teaching of ethics, and a powerful demonstration of the importance of historical case studies, it does not go further to place accounting within its broader social and political framework and thus fit within the tenets of ‘new’ accounting histories.

The abovementioned studies have contributed to the critical accounting literature as it relates to the Holocaust. These studies have made use of business histories to explore the relation between accounting and State ideology (Dillard 2003; Booth et al 2007), and to

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<sup>28</sup> Using secondary sources supplemented by the *Trials of War Criminals* (1950a, 1950b).

<sup>29</sup> To my knowledge.

implicate business and accounting practice in 'evil' acts (Funnell 1998; Dillard & Ruchala 2005; Lippman & Wilson 2007); all supported by theories to ground their 'new' accounting histories (Dillard & Ruchala 2005; Booth et al 2007). Reviewing the extant Holocaust accounting literature has revealed several gaps that this study addresses. The first is the lack of the extension of Foucauldian ideas, particularly his later work on biopolitics. The second is the absence of Agamben's ideas, despite his extensive theorisations on the Holocaust. Third, Aryanisation as a key financial persecutory measure has not been sufficiently addressed by the literature (other than a brief discussion in Funnell (1998)). This gap is particularly important as accounting and Aryanisation are inherently linked.

While Dillard and Ruchala (2005) made reference to Foucault's concept of disciplinary power, their theoretical framework was not Foucauldian. Bringing Foucault's ideas to Holocaust studies via this thesis addresses this gap. Undertaking a Foucauldian approach adds to the existing literature and extends it through Foucault's concepts of biopolitics, sovereign power and modern racism.

Using Agamben's ideas is novel in the critical accounting literature<sup>30</sup>. Agamben's work has much to offer 'new' accounting histories, particularly instances of thanatopolitics such as the Holocaust, through the concepts of the *state of exception*, *forms of life* and *homo sacer*. Additionally, these ideas can be applied to contemporary examples of thanatopolitics.

The policy of Aryanisation, or financial persecution, has not been extensively addressed by the literature. While some of the studies focus on events concerning compulsory Aryanisations from 1938 (see Funnell 1998; Walker 2000; Dillard 2003; Lippman 2009), there is scant attention to the financially restrictive legislation from 1931 that sought to deprive Jews of financial livelihood. A focal point of the current study is to bridge such a gap, especially given its links to accounting practice.

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<sup>30</sup> To my knowledge, Agamben has only been used once (Huber & Scheytt 2013) in the accounting literature and is absent from critical accounting literature.

## 2.5 Tenets of critical accounting

Gaffikin argues that critical theory serves “as an antidote to the sterile positive prescription of the mainstream methodological hegemony” (2006, p. 17). It is hoped that “the more one recognizes that accounting is a social practice that impacts on a social world, the less appropriate natural science approaches become” (Morgan 1983, p. 385). The following sections outline some of the tenets of critical accounting theory relevant to this study. The role of accounting in making phenomena (in)visible and ascribing that phenomena a (non)value is discussed. Next, the dehumanising effects of the practice of accounting ‘from a distance’ are explored. Geographically and morally removing accounting practice from the objects of its calculation can have devastating effects, as evident during the Holocaust.

### 2.5.1 Accounting makes phenomena (in)visible

What is made visible through accounting’s calculative lens is deemed important, with the ‘invisibilities’ rendered unimportant. This section demonstrates the ways in which accounting creates visibilities, and consequently, ‘invisibilities’ that mask the human element of financial accounts. This is done to privilege a set of interests while silencing the voice of the ‘Other.’

Critical accounting literature establishes that accounting information creates visibilities (Broadbent & Laughlin 1994; Carnegie & Napier 1996; Funnell 1998). Broadbent asserted that by “making certain aspects of reality ‘visible’ [accounting] creates the possibility of controlling these elements. It is this partiality in representation and its control potential which constitutes its real social influence, as well as its social danger” (1995, p. 4). Understood as “a process of attributing financial values and rationales to a wide range of social practices” (Miller 1990, p. 316), accounting can confer specific visibilities, calculability and operational utility (Burchell et

al 1985, Miller & O’Leary 1987, Miller 1990). In this way, accounting does not “reproduce the visible, but *renders visible*” (Hopwood 1986; Miller 1990, p. 317).

In Foucauldian terms, accounting is practiced as a disciplinary technique to render subjects not just visible, but governable. The governable include those on the margins of accounting, the ‘Other’. In Funnell’s paper on the Holocaust, he defined the invisible ‘Other’ as:

the individuality and humanity of the victims who were put to death or suffered as a consequence of Nazi determination to annihilate the Jews of Europe. In the place of these qualities the bureaucratic processes commodified Jews by reducing each person firstly to an anonymous, numbered, unit in a group of condemned individuals and then, at the killing centres, to either a resource of some temporary value to the German war effort or expensive debris to be disposed of as costlessly as possible (1998, p. 452).

Accounting holds this insidious power to transform the human into the numerical, a power that results in the dehumanisation of people. Once people are stripped of their human essence, qualities and individuality, they become easier to govern and discipline in line with political or capitalistic aims. Both endeavour to suppress human potentiality, maintain the status quo, or prolong human pain and suffering under the guise of political or economic imperatives.

Funnell contended that accounting was utilised as “an instrument of the German civil bureaucracy” (1998, p. 439), as part of State sanctioned penetration of the political into the private, human sphere to create new quantitative visibilities. These new visibilities “were able to supplant the qualitative dimensions of the Jews as individuals by commodifying and dehumanising them, and, thereby, for all intents to make them invisible as people” (Funnell 1998, p. 439). As an instrument of the State, accounting becomes complicit in State ideology and policy, as well as promoting the economic system of the State. It is important to continue the work of Miller and Power, by paying “attention to the mutually constitutive nature of accounting...This means viewing accounting as much more than an instrumental and purely technical activity” (2013, p. 557).

The overall effect of creating invisibilities to mask the human element is to dehumanise, deindividualise, degrade and modify human features that are “not amendable to measurement and reporting in a numerical format” (Funnell 1998, pp. 458-459). This is evident in the Holocaust, where “Jews passed the point where they were objectified to where they were numerised: they were numbers and little else” (Funnell 1998, p. 459). As one survivor stated “we had no name, we were only a number. We were a labour unit, not people” (Inna Kulagina cited in Billstein et al 2000, p. 7). This enabled the Germans to view them as subhumans “to avoid divulging the human correspondence of their accounts. The Jew was recognised no longer as a social being, and...they became invisible and ceased to exist as human beings” (Funnell 1998, p. 452). In periods of human suffering, accounting can be utilised as a tool (weapon) by the State to render the human side of reality invisible (Funnell 1998; Fleischman & Tyson 2004; Lippman & Wilson 2007). By denying the intrinsic value of the ‘Other’ through “a dehumanised rhetoric” (Chwastiak & Lehman 2008, p. 314), the dominant discourse is maintained. Accounting has its own inherent and silent power, produced and promoted by mainstream theorists, practitioners, users and standard-setters who maintain that it does not create visibilities and invisibilities, but merely reflects the factual reality. This myth continues to legitimise the practice and use of accounting information at a political and economic level, as well as obscure the social, moral, ethical and ultimately human element, shrouding the numbers in one-dimensional meaning.

Accounting serves to privilege a set of interests, and these interests are primarily those of people in political power and/or those with considerable clout in the economic sphere. Accounting has to “represent complex multidimensional constructs that are always limited and incomplete. Accounting practice is framed by an overarching metaphor encouraging a numerical view of reality” (Morgan 1988, p. 480). Representations provided by accounting present and represent “situations in limited and one-sided ways” (Morgan 1988, p. 477). Numbers also remain silent on so many things (Morgan 1988; Chwastiak and Young 2003), in accordance to

the needs of the privileged. Chwastiak and Young argued that these “silences allow us to ignore more easily the distasteful and objectionable aspects of the systems in which we live” (2003, p. 535). By focussing on only one set of interests, accounting serves to deny a voice for the excluded or the ‘Other’ (Broadbent 1995; Funnell 1998, p. 438), namely victims of persecution, racist State policy, violence, slavery or murder. The privileged are willing to silence and prolong the suffering of others in the process of accumulating power and wealth. Thus, the invisible ‘Other’ remains invisible and excluded from the narrative of the ‘real’, as depicted by accounting. By creating a caesura between information that is made visible and that which is rendered invisible, accounting is allocating value to a privileged set of interests and information. In other words, accounting assigns a non-value to the invisible.

### 2.5.2 Accounting determines the (non)value

When accounting creates visibilities it is making a value choice – that information depicted is not only visible but important. Funnell contended that “by definition, that which is not captured by accounting must be without value” (1998, p. 452) within accounting rhetoric. This is echoed by Schmitt, who wrote that “he[*she*] who determines a value *eo ipso* [thereby] always fixes a nonvalue. The sense of this determination of a nonvalue is the annihilation of the nonvalue” (1922, p. 80, cited in Agamben 1995, p. 137). This annihilation of the nonvalue would be radicalised during the Nazi regime in a literal sense.

The invisible ‘Other’, was not only not accounted for, but the degree of their pain and suffering was deemed unimportant. Racist political ideology, capitalism and profit-maximisation produce sufferings to increase wealth and power of certain interests. Fleischman and Tyson argued:

that accounting *must* be perceived as inherently value-laden and is therefore complicit, albeit unknowingly or unintentionally, in sustaining social institutions like slavery. Politics has to do with life in the *polis*, the communities in which we live. It has to do with how humans structure



and enact relations with each other within these communities. To the extent that these relations can always be structured differently, they are political choices. Accounting is political in precisely this sense (2004, p. 380).

Accounting becomes politicised as it “reflects and supports the values and needs of specific interest groups, and that accounting information is constructed and used as a resource in shaping...politics, especially in decision-making” (Morgan 1988 p. 481).

In presenting society with this pseudo-objective technology “accounting contributes to wrong ways of thinking by reducing all problems to economics and thus masking the intrinsic worth of what is being measured” (Chwastiak and Lehman 2008, p. 316). Reducing people, places, animals and the environment to quantities “lends itself to an abstract, cold and calculating way of reasoning” (Chwastiak and Lehman 2008, p. 320). By focusing through an economic lens, accounting “masks the intrinsic value of the people’s lives that are being destroyed, allowing the perpetrators of death and destruction to rationalize their inhumanity in the name of economic growth” (Chwastiak and Lehman 2008, p. 321), or in the name of political ideology. Policy can have life or death consequences for individuals, as evident during the Holocaust. “Human beings lost their distinctiveness as they were presented as value-free measurements” (Bauman 2001, p. 103), or rather, what was valued at the time was not the intrinsic value of humans. The non-value ascribed to human experience, individuality and emancipation excludes these elements from political and economic considerations. Where humanity conflicts with the overarching goals of those in power, it can be devalued or removed from the gamut of information supplied by accounting.

Accounting is not an instrument of mere calculation, description and reflection, but it “has consequences, most of which should be intended, otherwise it has no value. Therefore, the use of accounting cannot be neutral or disinterested if it is to fulfil its mission” (Funnell 1998, p. 460). Accounting represents, reinforces and maintains the views of the powerful, to be imposed upon society as truth assertions. Fleischman and Tyson argued that “accounting is much more

constructive than reflective, more active than passive in social ordering, and, therefore...complicit in sustaining institutions" (2004, p. 393).

Accounting forms part of the foundation of society as a form of representation. "Representation is, itself, a political act in that descriptions determine our collective social understanding of a situation" (Chwastiak 2001, p. 502), and accounting reproduces the visibilities and values ascribed by the political or economic system in which it operates. "Thus, accounting representations can transform the world we live in by creating new ways of seeing and norms for social behaviour" (Chwastiak 2001, p. 502); norms which form the foundation for ontological truths in society. Once accounting establishes a particular representation, that representation "becomes dominant and issues are debated within the acceptable terms, the underlying assumptions become instilled as sacred truths, rather than human constructs" (Chwastiak 2001, p. 502; see also Hall 1982; Latour 1987; Chomsky 1987; Edwards, 1996). Thus, accounting is a representational act to preserve the legitimate use of power by a State or business in promulgating their political and capitalistic ideologies, while retaining the myth of objective reality reflection.

Chwastiak and Young argued that accounting subordinates human lives to economic imperatives (2003, p. 547), while Hines asserted that "people and other 'resources' are valued according to their efficiency, that is, their ability to contribute to this maximization of productivity and profitability" (1992, p. 314). In this way, the only value accounting ascribes to the humanity of individuals is their ability to produce profit as an object of capital. People are only made visible, or given value, if they can be transformed into a profit-making activity (Chwastiak and Young 2003, p. 539). This is evident in the way labour was described in reports examined by Chwastiak and Young, where the health and safety of workers was only a concern "in so far as these impact corporate profit" (2003, p. 547). If an activity cannot be reduced to its accounting element (profit or loss), it is deemed as non-valuable and remains hidden (Chwastiak and Lehman 2008).

Socially constructing costs “reduce labour and things to their instrumental identity as means to profit” (Chwastiak and Young 2003, p. 533). Chwastiak and Young argued that “the dictates of profit maximization require that the social and environmental costs of corporate actions be masked in order to increase the acceptability of such acts” (2003, p. 534). Couching these acts in economic rhetoric requires the use of the value-free and objective technology of accounting. The use of accounting further mystifies and masks the true action of corporations and governments as complex issues become represented numerically, and invisibilities and nonvalues are unrepresented.

Accounting can “translate the values of others into its own terms, such that they provide norms and standards for their own ambitions, judgements and conduct” (Rose and Miller 1992, p. 184). By translating the values of the political and economic hegemony into the respected objectivity of an accounting representation, the invisibilities remain hidden and that which is not valued remains unimportant. This process is also aided by ‘action at a distance’, whereby a State or a business can inflict suffering on the ‘Other’ by making decisions from a distance, far removed from the human element.

### 2.5.3 Accounting for State action at a distance

The idea of accounting as ‘action at a distance’ from the objects of its gaze has been well-canvassed in the critical accounting literature (see Miller & O’Leary 1987; Preston et al 1991; Robson 1991, 1992; Rose & Miller 1992; Morgan & Willmott 1993; Funnell 1998; Dillard & Ruchala 2005; Preston 2006; Lippman 2009; Mennicken & Miller 2012; Corvellec et al 2016; Greer & McNicholas 2017; Mihret & Grant 2017; Robson & Bottausci 2018). ‘Action at a distance’ is described by Robson and Bottausci as “the processes and practices that achieve translations between distant entities” (2018, p. 2), and this study focusses on the State and its citizens as the

distant entities. Accounting serves as a medium between the State and its citizens, or between the government and the governed. Accounting facilitates the government and discipline of individuals by establishing “particular knowledges of remote objects and subjects” (Robson & Bottausci 2018, p. 9).

Accounting as a technology is part of “the complex heterogeneous mechanisms and instruments through which political rationalities and programmes of government are made operable” (Mennicken & Miller 2012, p. 16). Government is a constellation of actors, interests, expertise, procedures and techniques designed to implement political ideology in the social and economic realms. By incorporating Aryanisation as an element of “normal, and indeed scientific, business activity” (Oldroyd et al 2004, p. 765), accounting served to render the economic exclusion of Jews from Germany as a normalised practice. By ignoring the impact and effect accounting had in legitimising the policy of Aryanisation, we continue to observe accounting as that neutral and disinterested technology. If instead, accounting is viewed as part of the “intricate inter-dependencies between political rationalities and governmental technologies, we can begin to understand the multiple and delicate networks that connect the lives of individuals, groups and organizations to the aspirations of authorities” (Rose & Miller 1992, pp. 175-176). This can be extended to fascist genocidal States in history, as well as in the neo-liberal democracies of the present.

Despite the dominant view in accounting discourse, “numbers and calculations are never simply technical solutions to allocation and accountability problems, never unproblematic vehicles of transparency” (Mennicken & Miller 2012, p. 19). However, it is upon this notion that the State utilises accounting for its seemingly disinterested and technical approach to representation, which in turn legitimises and reinforces the dominant hegemony. Accounting as a technical practice can have transformative effects, that:

along with other techniques of inscription, materialization and visualization, [ensure] the calculable practices of accounting hold out the promise so central to programmes of

government: that the desire to administer effectively can be achieved in practice by simply following certain technical routines (Miller 1990, pp. 329-333).

Rose and Miller elaborated on this operation of government, claiming that it installs:

what one might term a calculative technology in the heart of the 'private' sphere, producing new ways of rendering economic activity into thought, conferring new visibilities upon the components of profit and loss, embedding new methods of calculation and hence linking private decisions and public objectives in a new way- through the medium of knowledge (1992, p. 187).

Government encroaching into the private sphere under the camouflage of an accounting technology has been referred to as 'administrative evil' (Dillard & Ruchala 2005). This has far reaching possibilities for humankind, as "modern society gives the appearance of being nonviolent because the violence is hidden from view by technique; however...violence has merely been taken out of sight, buried within, and legitimated by, bureaucratic hierarchies, professional expertise, and technology, but not eradicated" (Dillard & Ruchala 2005, p. 614).

Foucault spoke of the "calculated management of life" (1978, p. 140), in which the administrative and the political intertwined to form diverse techniques aimed at the subjugation of life; that is the birth of biopower. Mennicken and Miller asserted that accounting:

is both inherently administrative and political... Not only does it depend on administrative practices of recording and bookkeeping, but also that the calculative technologies of accounting are mobilized by a variety of political programmes for intervening in economic and social life (2012, p. 6).

Dillard and Ruchala claimed that when administration and politics are linked "to bureaucracy and organization, the result is an unintentional tendency toward dehumanization and the elevation of technical progress and processes over human values and dignity" (2005, p. 611).

The bureaucratic apparatus of the Third Reich facilitated the Holocaust (Browning 1980; Hilberg 1983; Goldhagen 1996; Funnell 1998); and accountants were firmly entrenched as part of this bureaucratic apparatus. Referred to as 'desk-killers' (Arendt 1977; Rosenberg 1983; Milchman

& Rosenberg 1992), the accountant facilitated 'action at a distance' as "a functionary in a vast bureaucratic organisation, who kill(ed) from behind a desk without wielding any weapons more lethal than a typewriter that issues reports dealing out death... through a labyrinth of bureaucratic routines and apparatus" (Rosenberg 1983, p. 13). Not only was accounting able to distance the practice of creating (in)visibilities and ascribing (non)values from the objects of calculation; it was also able to morally distance the actors (accountants) from the act – namely facilitating and enabling the transportation, forced labour, and mass murder of millions of Jews. Dillard and Ruchala argued that "the ultimate outcomes become distanced intellectually, socially, and spatially from the actors... directed by the instrumentally rational application of professional knowledge (expertise)" (2005, p. 626). The political imperatives of the Nazi party were privileged over the individuals whose lives were increasingly disciplined by the State. 'Action at a distance' enabled a "narrow, technologically grounded perspective and a moral disconnect" (Dillard & Ruchala 2005, p. 619) between the object, the accountant, and the State. In this sense, accounting can be used as an instrument to facilitate government at a distance, inflicting disciplinary practices upon citizens. This action is enabled, especially in the wake of racist ideology, slavery and genocidal tendencies.

## 2.6 Critical Foucauldian studies in accounting

'New' critical histories owe much to the work of Michel Foucault. Foucault offers a "pervasive critical paradigm" (Fleischman & Radcliffe 2005, p. 67) in which histories are "not neutral, objective descriptions of an accounting past, rather they are histories of [an] accounting present" (Stewart 1992, p. 67). It is unsurprising that Foucauldian work emerges as a prominent theoretical lens from which to view accounting history, due to the philosophical alignment between critical researchers and Foucault himself (see Miller & O'Leary 1987; Hoskin & Macve 1986, 1988; Miller 1990; Rose 1991; Rose & Miller 1992; Bhimani 1994; Miller & Rose 1995;

Carmona et al 1997; Hooper & Kearins 1997, McKinlay & Pezet 2010; Bigoni & Funnell 2015; Maran et al 2016; Mihret & Grant 2017). This thesis reflects a Foucauldian influence, and aligns with the critical approach that seeks deeper knowledge of accounting in its social and political contexts (especially its role in thanatopolitics). The following sections outline the extant literature that makes use of Foucault's concepts of disciplinary power, governmentality and biopolitics.

### 2.6.1 Foucault's concepts of disciplinary power

Foucault's notion of disciplinary power (1977a) focused on how different societal apparatuses are instituted for the purposes of surveillance, normalisation and examination. Foucault posited that shifts in the mode of the exercise of power led to the calculated management of human life and subsequent knowledge shifts. With the operation of 'power/knowledge'<sup>31</sup>, Foucault identified how knowledge was presented through discourses alongside techniques to discipline people within social relations. The combination of discourse and technique served to legitimise the disciplinary regime, reinforcing the disparate power between a State and its citizens. The seminal work to implement the concept of disciplinary power was Miller and O'Leary (1987). By examining the genealogical and archaeological emergence of standard costing and budgeting in relation to workers, Miller and O'Leary linked the development of accounting with the discourses and techniques designed to control and maintain the power relations of the social body. Miller and O'Leary revealed how accounting became a technique to discipline and a discourse to exercise power over the individual, such that "accounting can no longer be regarded as a neutral and objective process. It comes rather to be viewed as an important part of a network of power relations which are built into the very fabric of organisational and social life" (Miller & O'Leary 1987, p. 240). Accounting was

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<sup>31</sup> In his later works, Foucault would reformulate power/knowledge around the concept of governmentality.

implicated as part of the surveillance, normalisation and examination practices designed to render the subject of discipline 'visible'.

Miller and O'Leary examined the disciplinary society within the organisation, in terms of standard costing and budgeting accounting and its calculative gaze on humans. This microlevel exertion of disciplinary power reflected the macrolevel power/knowledge discourses that permeated the socio-political context of the time. Through their genealogical tracing, Miller and O'Leary discovered that national efficiency was the primary political goal, and this filtered down to ensure efficiency of the individual. This was possible due to the establishment of certain 'norms' within which individual efficiency could be placed within the scope of standard costing. Organisational accounting hinges on planning, control and performance evaluation, and as such reflected the tenets of Foucauldian disciplinary power. Organisational accounting could thus be seen to represent the efficiency of the individual in terms of the business and as part of the nation. Accounting was able to control and translate this efficiency in numerical terms, transforming the individual's value from a language of human qualities to one of productivity and efficiency.

By establishing 'norms' through which people could be disciplined, accounting set the standard for what was abnormal, and thus requiring further disciplinary action. This was particularly evident during the Holocaust, where the Jews were viewed as abnormal in terms of biology and efficiency, and were subjected to persecutory measures as a form of control. The Jews deviated from the norm and their racial abnormality was transformed into economic problems to be 'solved' (e.g. through Aryanisation, slave labour or the cost of killing). This transformation required the techniques and discourse of accounting to legitimise the actions of the State. Miller and O'Leary stressed that in utilising the work of Foucault they do not:

wish to suggest that such studies offer a panacea for thinking about accounting. In any case they do not directly address accounting or for that matter economic processes. But despite the difference in the field of study we feel that there is something distinctive in such an approach



which is useful in an attempt to understand accounting as a social and organisational practice (1987, p. 237).

The current study implements this argument, noting that while Foucault and Agamben do not directly address accounting, their work offers scope for better understanding the interrelationships between accounting, the State and the citizenry.

Despite some criticism (see Armstrong 1994), Miller & O'Leary provided an important foray into a new branch of accounting research. They introduced disciplinary power to the critical literature, while arguing that accounting is a technology used to wield power and to control. Accounting is revealed to be constructivist, intervening in individuals lives in the name of efficiency and rendering visible "wastes of human resources" (Miller & O'Leary 1987 p. 251). Accounting forms part of the complex matrix of interventions levelled at individuals in the name of the State, treating people as essentially "economic men" (Roethlisberger & Dickson 1939; Miller & O'Leary 1987; Bhimani 1994). Miller and O'Leary explain that:

it is, we argue, to this web of relations established between, for example, basic technical requirements and adjustments, and elaborate forms of philosophical discourse, that one should look in trying to understand redefinitions of the practice of accounting (1987, p. 238).

Following on from Miller and O'Leary, accounting researchers investigated how accounting as a technique utilised by the State intervenes in the lives of its citizens in exercising disciplinary power (see Preston 1992; Hopper & Macintosh 1993; Jeacle & Walsh 2002; Quattrone 2004; Quattrone & Hopper 2005; Roberts et al 2006; Madonna et al 2014). Accounting can therefore be implicated as a political process, facilitating control over individuals (see Knights & Collinson 1987; Miller 1990; Walker 2010; Bigoni & Funnell 2015; Maran et al 2016) as well as a technique used by organisations to observe, discipline and examine their workers (see Walsh & Stewart 1993; Bhimani 1994; Carmona et al 1997, 2002; Fuinez 2005; Vaivio 2006). This thesis

contributes to this body of literature by extending Foucault into the realm of accounting as a political tool of the Nazi State during the Holocaust.

For authors who accept Foucault's concept of disciplinary power, "accounting cannot be seen simply as a neutral tool aiming at economic rationality but instead is profoundly implicated in power relations produced in social life" (Bigoni & Funnell 2015, p. 162, see also Miller and O'Leary 1987; Napier 2006;). Accounting as a technique of disciplinary power has been mapped in studies involving: the US Military Academy at West Point (Hoskin & Macve 1988); the Colbert period of France (Miller 1990); pastoral power during the 15<sup>th</sup> century (Bigoni & Funnell 2015); accounting for the surveillance, control and examination of school children (Walker 2010); and, power relations in 18<sup>th</sup> century Napoleon-occupied Italy (Maran et al 2016). Armstrong's criticism that "the use of such a high-level concept in accounting research naturally tends to suppress detail" (1994, p. 25) and that "accounting as a disciplinary technique is only feasible when very high levels of generality are assumed" (cited in Walker 2010, p. 631) is supported by others, who argue that Foucault's texts have travelled far to reach the destination of accounting (Grey 1994; Carter et al 2002). The broad scope of the literature that encompasses Foucault's disciplinary power resists such criticism. While Foucault's texts have been displaced to 'fit' the accounting literature, his concepts have been reworked around a phenomenon he had not elucidated. The strong presence of Foucault within the critical accounting literature suggests that his work has been, and is, accepted by the literature, and this is reinforced by the general and broad notion of accounting, which can be defined by "whatever the consequences of its practices are for all of those affected by that practice" (Arrington 2018). In this way, the broad concepts of Foucault can be paired with a broad concept of accounting. The scope can then be narrowed to specific historical contexts, such as in this study, to highlight 'detail'.

## 2.6.2 Foucault's concepts of governmentality

Foucault's (1977b) concept of governmentality incorporates the mechanisms that legitimise power and allow for transformation of the citizenry to align with State objectives. Such mechanisms include the techniques associated with disciplinary power which render individuals in a society governable. Rose and Miller called for the study of "humble and mundane mechanisms by which authorities seek to instantiate government" (1992, p. 183), and accounting researchers have responded (see Álvarez-Dardet et al. 2002; Neu & Graham 2006; Gomes et al 2008; Sargiacomo 2009; O'Regan 2010; Lai et al. 2012). The critical accounting literature has revealed accounting as a mechanism used for government power, legitimation and control. Problems can be recalibrated into economic terms (Rose 1991) which render individuals visible, calculable and governable, even at a distance (Rose & Miller 1992; Robson & Bottausci 2018).

Work by Miller (1990), for example, focused on the interrelationships between accounting and the State during the 'Colbert period' of Louis XIV's reign. Miller examined the intimate link between national accounting and the exercise of national power, defined accounting as "a process of attributing financial values and rationales to a wide range of social practices, thereby according them a specific visibility, calculability and operational utility" (1990, p. 316). Miller framed accounting as a technology that legitimises political imperatives by realising "abstract aims such as order, efficiency or whatever" (1990, p. 317). Accounting, as a technique of inscription, materialisation and visualisation transforms individuals and their socio-political context into technical routines designed for efficiency. Miller concluded that "accounting and the [S]tate can be viewed as interdependent and mutually supportive sets of practices, whose linkages and boundaries were constructed at least in their early stages out of concerns to elaborate the art of statecraft" (1990, p. 332). This concept of State and accounting interdependencies is considered in this study and extended to the example of the Holocaust.

Rose and Miller (1992) elaborated on the concept of action at a distance (see section 2.5.3) in an attempt to draw out the intrinsic links between the State, citizens and the calculated practices to render citizens governable. They argued that accounting operationalises government policy and normalisation of the citizenry, translating “the values of others into its own terms” (Rose & Miller 1992, p. 184). Translating human attributes and activity into numerical terms embeds citizens within the economic discourse of governmentality, one that values efficiency and profit as salient to human identity. Accounting provides the technology, knowledge and translation to facilitate the long-distance control required to normalise and instrumentalise individuals (Miller & Rose 1990, p. 3). Rose and Miller claimed that:

the question is no longer one of accounting for government in terms of 'the power of the state', but of ascertaining how, and to what extent, the state is articulated into the activity of government: what relations are established between political and other authorities; what funds, forces, persons, knowledge or legitimacy are utilised; and by means of what devices and techniques are these different tactics made operable (1992, p. 177).

Scholars have revealed accounting as part of the constellation of techniques that operationalise Foucault’s governmentality notions (Burchell et al 1985; Miller 1991), and this study contributes to that literature through the governmentality concepts foundational to Foucault’s work on biopolitics.

Other work inspired by Foucault’s concept of governmentality have addressed topics such as colonisation (Neu 2000; Neu & Graham 2004; Greer 2006); ancient civilisations (Baker 2013). Other investigations have focussed on government management and administration in Italy (Sargiacomo 2009; Maran et al 2014; Maran et al 2016); Portugal (Gomes et al 2014); Hawkes Bay (Hooper & Kearins 1997); the Ottoman Empire (Yayla 2011); within religious institutions (Leardini & Rossi 2013; Bigoni & Funnell 2015); and, in organisations (Riccaboni et al. 2006). These studies have shown how the ‘art’ of government is intrinsically connected to not only accounting but also to a multitude of technologies for the administration of identities

in everyday life. What is not revealed is the connection between accounting and the fascist government of Germany. This study addresses this gap in the existing literature. By examining the mutually beneficial interrelationships between accounting, the State and also business, this study explores such relations during Nazi Germany.

Accounting is a technique that is used by States to centralise and mobilise individuals in pursuit of State political goals. Accounting discourse serves as a “*translation mechanism* between the general and the particular, establishing a kind of identity or mutuality between political rationalities and regulatory aspirations” (Miller & Rose 1990, p. 6). Once translated into deindividualized terms, people are no longer measured based on their intrinsic qualities, and society is governed through an exercise of power reinforced “through accounting, expertise and calculation” (Rose 1991, p. 689). McKinlay (2006) argued that business historians still focus more on disciplinary power and questions of ‘why’ in terms of power. Biopolitics, rather than governmentality (as argued by Maran et al 2016), holds the most potential for relating questions concerning the ‘how’ of power, that seeks to know, govern and control the citizenry. A review of such studies is presented in the next section.

### 2.6.3 Foucault’s concept of biopolitics

Foucault’s later work that centred on biopolitics has been largely overlooked in accounting research, with some exceptions (see Thorne 2009; Martinez 2011; Cooper 2015; Cooper et al 2016; Himick 2016; Alawattage et al 2018). His prescient 1979 lectures held at the *Collège de France*, particularly his talk the *Birth of Biopolitics*, initiated Foucault’s thought experiments that moved from disciplinary power to biopower<sup>32</sup>, the birth of neoliberalism and the reconfiguration of humans from *waged employees* to *entrepreneurs of the self*. The use of

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<sup>32</sup> Incorporating aspects of his work on governmentality.

biopolitics as a theoretical lens is relatively new to the accounting literature<sup>33</sup>. This section discusses the extant literature with the aim of identifying gaps within biopolitical accounting studies.

Thorne's 2009 work critically evaluated Hardt and Negri's (2000, 2004) approach to the genealogy of modern resistance, particularly within the global arena of cyberspace. This work briefly mentioned the concept of 'naked life'<sup>34</sup> from Agamben (1995), and make several references to biopower. Thorne did so without reference to Foucault and without defining the term. Thorne makes theoretical jumps between biopower and 'imperial sovereignty', which, without the grounding of Foucault, make the arguments somewhat baseless. This is especially so when he criticised Hardt and Negri's use of biopower as "if not misleading then inappropriate" (2009, p. 261). Accounting is mentioned just once in the article. This work seems to fit on the margins of the literature on biopolitics, and certainly not within the Foucauldian biopolitics literature. As such, this work offers little to the biopolitical accounting literature and has no relevance to the current study.

It can be said then that the first successful attempt to connect accounting and biopolitics was produced by Martinez (2011). Martinez, like Agamben, recognised the limitations of Foucault's exposition on biopolitics<sup>35</sup>. Martinez used Deleuze's concept of the 'society of control' (1992, 1995) to argue that "institutions are no longer crucial sites of normalisation; rather, control is pervasive in the open environment through overlapping digital information systems characterized by speed, ubiquity and heightened accuracy" (2011, p. 200). Martinez overlaid the 'society of control' on Foucault's disciplinary power to extend the accounting literature by offering "another set of conceptual tools to theorise management control systems, normalisation and forms of resistance that the disciplinary approach has so far not adequately

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<sup>33</sup> To my knowledge, the first paper using this lens was Thorne (2009).

<sup>34</sup> Believed to be the *bare life* term used by Agamben.

<sup>35</sup> Due to Foucault's untimely death.

account[ed] for” (2011, p. 200). Martinez argued that disciplinary attempts by the State no longer are confined by enclosed spaces, but rather extend into the population. The disciplinary techniques of biopower are “heavily reliant on accumulating information on the collective as a means of managing social life, reflecting a form of government, in its broadest sense” (2011, p. 204). Martinez mapped out a space for accounting as part of biopolitical disciplinary techniques designed to control individuals at a population level. Martinez confines his work to the factory historically and the corporation presently. There is a notable gap in the extension of biopolitics to the State and citizens - a gap which this thesis seeks to address.

In a 2015 study, Cooper focussed on the neoliberalism aspect of Foucault’s lectures. She claims that neoliberalism has spread “to domains which were previously thought to be ‘non-economic’, specifically, and for the purposes of this paper, to human beings” (2015, p. 14). Cooper (2015) grounds her work in passionate pleas for the non-economisation, or the revaluing of human life as humans. She implicated accounting as part of the dehumanisation engendered by neoliberalism through its discursive intent. She suggested that it is “an enactment of a particular language of economic activity [and that] it codifies and orchestrates economic participation in accordance with a telos that governs the place of participants in the economy” (Cooper 2015, p. 21). Cooper condemned this discourse, arguing “we are much more complex and wonderful than the ludicrous, impoverished reflection which they offer” (2015, p. 22). While her work was not grounded in biopolitics per se, she takes up Foucault’s notions and implements them in her critique of neoliberalism. This is evident in her belief that people have become entrepreneurs of the self, as prophesised by Foucault, where action is animated by rewards, as a form of behavioural technique so that behaviour can be controlled and modified (Cooper 2015, p. 15).

Cooper et al (2016) extended Cooper (2015) by connecting biopolitics and neoliberalism to the concept of social impact bonds (SIBs), or the “attempt to marketise/financialise certain

contemporary intractable 'social problems', such as homelessness and criminal recidivism" (2016, p. 63). This is an example of biopolitical technique, in that while the bonds are instituted at a population level, they are based on individual performance. For Foucault (1979), "the problems presented to governmental practice by 'population' could not be disassociated from the framework of political rationality within which they appeared, namely liberalism" (cited in Cooper et al 2016, p. 64). SIBs are based on "a vast array of accounting technologies including budgets, future cash flows, discounting, performance measurement and auditing" (2016, p. 63). Cooper et al argued that the encroachment of economic rationality into the social arena meant that "*financial economics* has become a governmentality" (2016, p. 64). Accounting, functioning as an economic tool analysing non-economic phenomena, was deployed as "a rationalist, reductionist technological approach to a complex social problem" (Cooper et al 2016, p. 71). In analysing the SIBs used at St. Mungo's (a London based charity), new insights into the incursion of neoliberalism into social policy were presented as the mobilisation of biopolitics. Although my study does not address neoliberalism, it seeks to contribute to this literature by developing Foucault's biopolitical thesis into the thanatopolitical structure, which was evident during Nazi Germany.

Himick (2016) analysed actuarialism as a technique of biopolitics and discipline, taking care not to displace disciplinary power with biopolitical aims (Foucault 1976). Himick argued that in terms of pensions, biopolitics made "the space calculable [which] also enabled accounting to intervene... [and] contributed to new ways to effect individual discipline in the workplace" (2016, p. 23). Himick argued that "actuarialism as a biopolitical technique has traits uniquely suited to what accounting requires. It produce[s] volumes of information, distinctive from information that would be produced about an individualised mode of workplace discipline. Accounting would have no use for information about ad-hoc, individualised or personalised cases, but would, by contrast, be able to use aggregate data" (2015, p. 41). Himick wished to bring discomfort to deeply held views as well as to highlight Foucault's concept of subjugated



knowledges (1976). Like Martinez (2011), Himick (2016) restricted her study to the workplace. This study addresses this gap by examining the broader political and legal framework that enabled biopolitical policy of a State. This study extends the reach of accounting from the workplace to the political and economic macrolevel relations between a State and its citizenry.

Alawattage et al (2018) followed Martinez (2011) in addressing the limitations of Foucault's biopolitics, but supplemented their study with concepts from Deleuze (1992). Focussing on contemporary neoliberal societies (in this case Sri Lanka), they explored "how accounting technologies are being used as both disciplinary and biopolitical tools in contemporary neoliberalism, to govern populations in ways that extend economic production beyond the factory into the lives of individuals and the global economy into every region of the planet" (2018, p. 2). Under the theoretical lens of biopolitics, microaccountability was shown to enable "the extension of the finance industry into untapped sectors of the global population" (2018, p. 1), or in other words, to show how accounting technologies are used to permeate everyday life. Alawattage et al defined biopolitics as a system that governs society "through technologies for the production of life" (2018, p. 2). This study aligns the closest to Foucault's notions of biopolitics, no doubt due to the use of biopower, as it emphasised how technologies are deployed to *produce* life, or *make live*. They argued that neoliberal regimes exercise biopower through biopolitical and disciplinary tools such as those produced by accounting (e.g. financial statements). Similar to Martinez (2011), they argued that "the mechanisms of accountability we were looking at were open, pervasive, and adaptable, and had little to do with the kinds of regimented enclosures normally associated with disciplinary power, such as the factory or the prison" (2018, p. 15). They called for further research beyond disciplinary enclosures; a call that this study answers by looking beyond the enclosures of the Nazi State (e.g. the concentration camps) to the damage inflicted on the civil sphere through the disciplinary action of Aryanisation.

Critical accounting researchers have only just begun to unpack Foucault's concept of biopolitics and apply it to accounting. While the unfinished state of Foucault's thesis has been addressed somewhat by the work of Deleuze (see Martinez 2011; Alawattage et al 2018), this study attends to the unfinished state of his work with reference to the work of Agamben, a novel approach in the critical accounting literature. There remains much scope for extension of a biopolitical theoretical lens within the critical accounting literature. Ultimately, such works will contribute to the wider Foucauldian literature that has, and continues to be, a pervasive and significant component of critical accounting.

## 2.7 Concluding Comments

A review of the relevant literature has revealed several gaps, some of which are addressed by this study. Foucault's conceptualising offers a significant opportunity to further our understanding of the Holocaust and the use of accounting in perpetrating it, which has so far not been taken up in the accounting literature. This study makes use of Foucault's ideas and extends them to his concept of biopolitics within the case study of Nazi Germany. The Holocaust accounting literature has only briefly discussed the policy of Aryanisation (Funnell 1998). Aryanisation could not have been possible without accounting techniques to measure and record the expropriation of wealth and business takeovers. This study addresses this gap by focussing on Aryanisation as a form of financial racism that was designed to expel the Jews from the German economy. This contributes to the existing Holocaust accounting literature by highlighting the centrality of this policy to other genocidal acts. In addition, the accounting literature has made no critical use of the work of Agamben. His ideas offer much to accounting studies, and introducing his work to the accounting literature is a major contribution of this study. In this way, the current study redresses the gaps in the extant Holocaust accounting literature, while offering new theoretical insight through the introduction of Agamben's work.

In the review of the vast array of Foucauldian accounting studies, several gaps have been identified. Foucault's concept of governmentality has been extended to various different States, but as yet no study has taken that concept to the Nazi State. This is also true of Foucault's work on biopolitics. This study addresses these gaps by examining the governmentality behind biopolitical policies<sup>36</sup> during Nazi Germany. The biopolitical Foucauldian-accounting literature also tends to use Foucault in organisational or business settings (Martinez 2011; Himick 2016). Setting a boundary at the workplace can neglect the wider social and political framework impacting on the lives of citizens, while rendering the role of the State as inconsequential. This thesis, in accordance with the aims of 'new' accounting history, extends Foucault's work beyond the workplace to reveal the concealed use of accounting to govern and discipline citizens, based on State ideology and political imperatives. This thesis makes further contributions to the governmentality literature by incorporating aspects of biopolitics.

This chapter has provided a brief summary of the critical accounting research, including 'new' accounting histories, accounting to make (in)visible, give (non)value, accounting at a distance, and Foucauldian accounting in terms of discipline, governmentality and biopolitics. The discussion has demonstrated that there is scope for a 'new' accounting history on the Holocaust using a Foucauldian lens supplemented by the work of Agamben. This chapter has demonstrated the relevance, significance and timeliness of a study that is grounded in context while highlighting the 'Other'. In contributing to the gaps in the current literature, the present study can enhance understanding of the role of accounting in society, in particular when accounting is deployed as a disciplinary and biopolitical technique by a State.

The following chapter provides the contextual framework for the thesis to fulfil the aims of presenting a 'new' accounting history. Chapter three explores the background of Germany, from the aftermath of World War I, to the rise of the National Socialists, to life under Nazi Party

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<sup>36</sup> And later thanatopolitical policies.

rule. The history of the German accountancy profession is also discussed, to contextualise the practice of accounting at the time and situate that practice within the broader social, political and economic circumstances that led to the Holocaust.

## Chapter Three: Context of Study

History is a wheel, for the nature of man is fundamentally unchanging. What has happened before will perforce happen again.

- George R R Martin 2005, p. 31

### 3.1 Introduction

This chapter situates the thesis within the context of Nazi Germany, both as necessary for interpreting the case studies presented in chapters six, seven and eight, and for contextualising the study as part of 'new' accounting history. Section 3.2 explores Germany post WWI, in particular examining the specific conditions that led to the rise of the radical Nazi party. These conditions were: the aftermath of the war and the Treaty of Versailles (section 3.2.1); the impact of hyperinflation, high unemployment and the Great Depression (section 3.2.2); the disillusionment of the impoverished middle-class and the ineffectual Weimar government (section 3.2.3); and, the underlying anti-Semitism that had been present in Germany well before the Nazis came to power (section 3.2.4). Section 3.3 contextualises the case studies in terms of Germany under the power of the National Socialists. This context includes: the perceived return to prosperity and the resulting Führer myth (section 3.3.1); the creation of a *state of exception* by way of emergency decrees (section 3.3.2); the persecution and terror imposed upon the Jewish population (section 3.3.3); and, a brief overview of the activities of Germany during World War II (section 3.3.4). The German accounting profession is discussed in section 3.4, first by contrasting the German accounting profession with other professions around the world (section 3.4.1) and then by comparing developments in the German accounting profession both pre-Nazi (section 3.4.2) and under Nazi rule (section 3.4.3). A summary is then given in section 3.5.

## 3.2 Germany post World War I

German history comprises different eras, stages of developments, periods of conflict, and periods of peace. It reveals rich culture and contributions to science, literature, philosophy and theology. Yet for all this, “German history is very much overshadowed by its tragic [moments], the era of the Nazis” (Newton 1990, p. 1). For the purposes of this ‘new’ accounting history study, historical context is focussed on 1933-1945, that is, the period referred to as the ‘12-year Reich’ (or Thousand Year Reich (Riefenstahl 1935)). Beginning at the end of World War I, the conditions that led to the 12-year Reich are discussed. The next section outlines the particular conditions of the Weimar Republic in the aftermath of the war, particularly those relating to severe unemployment and inflation, the Great Depression, a weak government, a disillusioned middle-class, and the re-awakening of a dormant anti-Semitism. These conditions set the scene for the emergence of the Nazi party.

### 3.2.1 Aftermath of World War I

Prior to WWI, Germany was, along with Great Britain, “the most powerful and highly advanced [country] in the world” (Homer and Wilcox 1986, p. 27). Following Germany’s defeat in WWI, its status on the world stage was weakened, making it vulnerable to the demands of the victorious allies who sought reparations for war damage. After Allied demands to dismantle the ‘Empire’ for a more democratic system of government, the Council of People’s Commissioners (the Council) was formed in 1918 (Newton 1990, p. 43). Careful to adhere to the demands of the Allies and to prevent further intervention within German government, the Council proceeded to dissolve the *Reichstag*, abolish the Prussian House of Lords, ensure equal suffrage for all Germans, and, most importantly, end martial law (Newton 1990, p. 43). Out of this Council the Weimar Republic was founded in 1918 “in the wake of the military defeat, the

abdication of the German monarch, and the crumbling of the Second German Empire” (Goldhagen 1996, p. 82). This shift to the Weimar Republic was understood to symbolise the rejection of the ‘Bismarckian Prussian heritage’ that had led Germany to war and to defeat. Newton explained how this effort was all in vain, as:

the republic’s attempts, meanwhile, to project its respectability and soften the hearts of the victorious powers were all to fail. Demands for reparations and, eventually, the Franco-Belgian occupation of the Ruhr valley region, would further undermine the reputation of the new democracy. The inflation, steadily worsening throughout this period, was to climax in hyperinflation during 1923 and great hardship for many ordinary Germans. In short, the problems faced by the nation in this period were so appalling, that few citizens would have been surprised if the republic had succumbed to its enemies (1990, p. 60).

To compound this, after only four months of negotiations, the Allies summoned a German delegation to Paris to hand down ‘peace terms’ (Newton 1990, p. 62). The Allies ignored the efforts of Germany to break from its former mode of government and establish a democratic constitution more pleasing for the Allies, particularly the French (Newton 1990). The Allied countries sought reparations for the damage done to their countries, the lives lost, and the hardships endured on the home fronts. The Allies seemed to have chosen to ignore the similar suffering by German citizens. The war damage reparations amounted to approximately 132 thousand million gold marks<sup>37</sup> over 30 years plus a 26 percent tax on exports (Newton 1990, p. 74). With general dissatisfaction growing in Germany and abroad over the new Weimar Republic, the government dissolved on 4 May 1921 (Newton 1990, p. 74). Meanwhile, angry Germans found the Treaty of Versailles peace terms humiliating and the demand for reparation payments unconscionable. This led to the rise of two different and radical factions that threatened the new democratic republic: The Communist Party (KPD) in 1919 and the National Socialist German Workers’ Party (NSDAP), which was fronted by Adolf Hitler from 1921.

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<sup>37</sup> Germany paid off this debt (worth \$US768,000 today) in October 2010 (Suddath 2010).

Amid government upheaval and dissatisfaction, the original aims of the Weimar republic were lost. Although the government was still:

ostensibly republican, it had ceased to be democratic in the sense of enjoying majority support in the *Reichstag*. In fact, the demise of the Weimar republic was presided over by governments that were authoritarian in terms of both constitutional procedure and political complexion (Grunberger 1971, p. 7).

On the fifth anniversary of the Weimar republic, the fractious government faced an attempted coup by right-wing conservatives. Known as the 'Beer Hall *Putsch*', it was Germany's first widespread introduction to Adolf Hitler. Present at the *Putsch*, Hanfstaengl claimed that Hitler "clambered on a chair and fired a round at the ceiling [and] barked an impromptu proclamation: 'The national revolution has broken out. The *Reichswehr* is with us. Our flag is flying on their barracks...'" (1957, p. 95). The coup was immediately quashed and Hitler sentenced to five years for treason (Newton 1990). He used his jail time of less than a year to write *Mein Kampf* and to develop a more nuanced political strategy. Realising that a bloody revolution was unlikely, he sought instead to gain legitimate power through elections. Goldhagen explained that:

the Nazi Party was the most radical political party to gain control of a government in European history. Significantly, its openly murderous radicality notwithstanding, it did so through electoral means. The National Socialist German Workers' Party, as the Nazi party was formally named, was founded as the German Workers' Party in Munich on January 5, 1919, during the turbulent period of defeat, revolution, and reconstruction after World War I. The twenty-nine-year-old Adolf Hitler, who, after having served as a corporal during the war, was living in Munich, gravitated to it in September of that year as its seventh member. He soon was put in charge of the Party's propaganda, and by 1921 he became its political as well as its intellectual and ideological leader (1996, p. 85).



Hitler and his party stood for “the destruction of Weimar democracy, a revision of Versailles, revanchism<sup>38</sup>, anti-Bolshevism, militarism, and, most especially and relentlessly, anti-Semitism” (Goldhagen 1996, p. 85). These beliefs were neither diluted for, nor hidden from, the public, nor could they be upon the release of *Mein Kampf*. Hitler and the NSDAP, or ‘Nazi’ party, made clear that they believed in the superiority of Aryan people over the “parasitic people bent on world domination” (Goldhagen 1996, p. 116) – the Jews. For the time period leading up to the Great Depression, the Nazi party remained a minority party in the *Reichstag* that vehemently opposed the Weimar republic and the subordination of Germany under Allied power.

### 3.2.2 The Great Depression

Amongst the political turmoil, Germany was facing harsh economic times. The government, in disarray and with competing factions, struggled to come to decisions to aid the worsening economic situation. Suggestions of taxes as a form of revenue raising were met with accusations of ‘Bolshevism’ by opposing parties, and while “the government dithered, inflation worsened” (Newton 1990, p. 74). The French occupation of the Ruhr district, for failure to meet exorbitant reparations payments, compounded the inflationary pressures in Germany.

The emergence of ‘hyperinflation’ affected Germans in different ways. Those who were property owners, such as industrialists, were protected as their property grew in value and those with debt could now pay it off in devalued currency (Newton 1990, p. 95). The retired, bondholders, small-business people and other middle-class citizens became poverty-stricken, with savings accounts wiped out by purchasing necessities. One citizen recalled having to “carry your banknotes in suitcases...I had to pay several million marks for a stamp” (Newton 1990, p. 83). From 1929 to 1932 “the number of registered jobless rose from 1.3 million to 5.1 million”

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<sup>38</sup> Revanchism refers to a policy of retaliation, in this case to recover lost territory.

(Grunberger 1971, p. 7). The realities of hyperinflation and high unemployment led many to question the injustice that had been served to them, and for this they blamed the new republic. Many looked to other political parties to save them from this fate.

The situation was only to worsen for the German people. Just as production was improving with “10 per cent more coal, 100 per cent more lignite, and 30 per cent more steel than in the pre-war period...[ranking] second after the United States among the world’s exporting countries” (Grunberger 1971, p. 4), Germany was hit by the Great Depression. “The seismic wave of the Depression spread outward all the faster because inflation had wiped out the savings which might have cushioned the urban middle classes against the shock” (Grunberger 1971, p. 10), thus making Germany one of the worst-affected economies. The collapse in world trade devastated Germany’s newly acquired export sector, while the withdrawal of foreign capital decimated both business confidence and the ability of the banks to operate (James 2001). The number of unemployed reached 6 million (Newton 1990, p. 147). The decline in economic activity had the flow-on effect of decreasing government tax receipts, leading to higher taxes and an inability to secure foreign loans (Newton 1990, p. 147). By mid-1931 the banks were failing, starting with the Danat Bank, one of Germany’s largest. Other banks soon followed as the government struggled to stem the banking system collapse. The government eventually became the majority shareholder in a number of large banks (Newton 1990, p. 153). The citizenry became increasingly disillusioned with the Weimar republic. Grunberger outlined that:

in their view, the crisis was the climax to a chain of events linking together the patriotic upsurge of 1914, the transfiguring experience of the trenches, the soul-searchings of the pre-war *Jugendbewegung* (Youth Movement) and the earlier quest for the Holy Grail of German-ness pursued by Wagner, Langbehn and Lagarde. To the disciples of those *völkische* (ethnic) prophets, to Nazis and Hugenberg nationalists, the slump was the head on the Weimar abscess, suppurating with corruption and betrayal – and it had to be lanced with brutal surgery before it burst into a Red revolution (1971, p. 11).

Peukert offered that:

the crisis was much more than just a particularly deep economic depression. It involved the mutual effects of the collapse of the Weimar political system, already foreshadowed during the economically successful 'Golden twenties', the second massive economic convulsion within a decade (the first being the inflation that reach its culmination in 1922-23) and an upheaval in traditional social values and attitudes that went back to the fall of the imperial monarchy. Separately, each of these challenges might have been withstood (1982, p. 26).

The combination of factors led to a people who were disenfranchised with their new democratic government, still suffering the post-war effects of hyperinflation, unemployment, scarcity of food, and a government still bowing to the demands of the Allies. It is unsurprising that the German people sought different political representation, and that "crisis was Hitler's oxygen" (Kershaw 1998, p. 201). The need to rectify not only these restrictive economic conditions, but to restore the German people to their former glory was felt by many, particularly the middle-class and the radical factions of the German government (Williamson 2018, p. 20).

### 3.2.3 Disillusionment and ineffectual government

It had been fifty years since Bismarck unified Germany with his notions of aggressive foreign policy, nationalism and preservation of the Prussian aristocracy (Williamson 2018, p. 12), and the defeated Germany of the Depression era sought to reignite those same principles in order to surface from the economic catastrophe. The Nazi party, a strong opponent of the Weimar republic, gained supporters from the middle-class strata where "the revolution of 1918 and the inflation of 1923 had brought about a marked deterioration in the political and economic position of the 'old' middle class..." (Peukert 1982, p. 87). The Nazi party first gained strong support from universities and "between the 1928 and July 1932 elections the Nazi vote

increased from 800,000 to 13,750,000" (Grunberger 1971, p. 7). It was not only dissatisfaction with the Weimar Republic that caused anger in Germany, but the financial problems. Many held the Jews in Germany responsible. Peukert (1982) observed that:

the opaque nature of the crisis afflicting the Weimar 'system' was offset, ideologically, by the imputation of guilt to the stereotyped amalgams of 'the Jew', 'the Marxist' and the rapacious 'capitalist'. The positive appeal of Nazism lay less in any details of its programme defining the proposed harmonious 'national community' than in the fact that the individual could feel secure within a disciplined, militarised 'movement' that was forever being whipped up by new campaigns (p. 245).

The Nazi party was an outlet for the poverty-stricken, disillusioned middle-class as it provided an alternative government and an identification of who the villains were in creating the economic woes of the country.

Their poor showing in the May 1928 elections, where the Nazis gained only 2.6 percent of the national vote, convinced Hitler that to proceed with his electoral rise to power, the party would have to "shed its socialist image and concentrate on a straightforward appeal to the more conservative middle-class nationalist voters, with a mixture of passionate anti-Marxism and anti-Semitism" (Newton 1990, p. 118). He also emphasised the "importance of emotional oratory, visual (rather than written) propaganda, repetition, simple slogans, colour and ritual in order to arouse ruthless fanaticism and hysteria among the simple-minded masses" (Newton 1990, p. 116). The Nazi movement slowly started to gain momentum.

Following the Great Depression "the German political system collapsed for the second time in a dozen years" (Peukert 1982, p. 32). This led to a "mass movement, highly modern in its structures, which had borrowed its ideological precepts from the chauvinistic, anti-modern, anti-Marxist, anti-Semitic and anti-democratic pseudo-theories of the closing years of the nineteenth century" (Peukert 1982, p. 38). The failure of the *Reichstag* to pass the Brüning budget resulted in a dissolution and a call for a new election in September 1930. The Nazi party

used its propaganda to stress the fear of communism and the fear of economic decline – both of extreme importance to the impoverished middle-class (Grunberger 1971). At this election, the Nazi party obtained 18.25 percent of the vote (Pollock 1930, p. 991) and Brüning was again elected Chancellor, with a minority government. Two more elections swiftly followed, with a disparate minority government unable to pass legislation, and the Nazi party receiving 37.3 percent and 33.1 percent of the votes respectively (Newton 1990, p. 160). In 1933 the President of the Weimar, Paul von Hindenburg, appointed Hitler to the position of Chancellor and a majority government was formed (Goldhagen 1996, p. 87). At this point, it was still believed by Hindenburg, the former Chancellor von Papen, and other conservative ministers, that Hitler and the Nazi party were under their control (Newton 1990, p. 191). They could not have foreseen the events that would lead to the creation of a *state of exception* and to the fascist rule of Hitler.

#### 3.2.4 Anti-Semitism

The underlying sentiment that links pre-WWI Germany with post-WWI Germany is anti-Semitism. During times of progress and growth anti-Semitism was below the surface, re-emerging in times of crisis, notably during the 1873 market crash and the 1929 Great Depression (Grunberger 1971, p. 455). A pamphlet circulated in 1920, *Permission for the Extermination of Life Unworthy of Life*<sup>39</sup>, asked “are there human lives, which have so completely forfeited the quality of a legally protected entity, that their continuation, for the living person as well as for society, has permanently lost all value?” (cited in Hochstadt 2004, p. 29). Foreshadowing the radical anti-Semitism and exterminationist<sup>40</sup> policies of the Nazi party, as well as a thanatopolitical agenda, the pamphlet also stated:

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<sup>39</sup> This pamphlet was written by two ex-professors: the jurist Karl Binding and psychiatrist Alfred Hoche.

<sup>40</sup> ‘Exterminationist’ is a term utilised by Goldhagen (1996) to linguistically link the shift from an ‘eliminationist’ Nazi policy (exclusion of Jews from economic and social life) to the later genocidal policy to exterminate all Jews.

that there are living humans, whose death would be a deliverance for themselves and at the same time a liberation from a burden for the society and the state, the carrying of which, outside of the sole value of being a model of the greatest selflessness, has not the smallest use, cannot be doubted in any way...Again, I find, either from the legal, social, ethical or religious standpoint, absolutely no reason not to permit the killing of these people, who embody the terrible countertype of a true human and awaken horror in nearly everyone (Binding & Hoche cited in Hochstadt 2004, p. 29).

This example demonstrates the latent, and at times overt (by particularly radical groups) anti-Semitism in Germany. Goldhagen affirmed that:

by the end of the nineteenth century, the view that Jews posed extreme danger to Germany and that the source of their perniciousness was immutable, namely their race, and the consequential belief that the Jews had to be *eliminated* from Germany were extremely widespread in German society... With the arrival of the twentieth century, the seeds for Nazi antisemitism and Nazi anti-Jewish policies had been widely sown, had already sprouted, and had flourished considerably (2004, p. 72).

Anti-Semitism remained largely dormant prior to the turn of the century because the context of the time was not sufficiently problematic to reignite it. The combined effects of a lost world war, unemployment, hyperinflation, an impoverished middle-class and a weak government, however, produced the political, social and economic mobilisation that physically threatened the security of the Jews.

The underlying anti-Semitic culture in Germany bred the ideology of 'us vs. them.' Their archetype of 'the Jew' (*der Jude*) comprised the notion that the Jew was the polar opposite of the German, and that their intent was pernicious and to the detriment of German society. This led to the Jews becoming a natural scapegoat for all the ills of the world, especially during post-war Germany. Instead of blaming the social system or market mechanisms, the final stage of the Weimar republic seemed to be focussed on ascribing individual and collective suffering to the

Jews (Grunberger 1971, p. 15). Goldhagen explained this unique phenomenon of dormant anti-Semitism:

for most people antisemitism is already integral to their worldview before the advent of a crisis, but in a latent state. Economic crises make people's antisemitism more manifest and *activate* it into open expression. People's pre-existing beliefs channel their misfortune, frustration, and anxiety in the direction of the people whom they already despise: the Jews (1996, p. 45).

What seemed to irk the Germans most was the idea that Jews dominated the economic sphere, particularly banking, business, real estate, brokerage, moneylending, cattle-trading and finance capitalism (James 2001, p. 22; Grunberger 1971, p. 15). The Jews comprised only 1 percent of the total population in Germany, but there were certain professions where they had higher representations, including lawyers (16 percent), doctors (10 percent), lecturers (5 percent), writers (5 percent) and bankers (17 percent<sup>41</sup>) (Grunberger 1971, p. 456). They did not however, dominate the economic sphere as believed by German society, and were not as prosperous as the stereotype of *der Jude*. Against their higher representations in some economically lucrative spheres, in 1933 "one in four Berlin Jews (31,000 out of 170,000) was receiving charity" (Grunberger 1971, p. 456).

Anti-Semitism was not the only driving force behind the eliminationist and exterminationist mentality of German society. German culture had a strong basis in nationalism, and the post-war years saw German pride suffer. In a similar vein to anti-Semitism, nationalist ideology oscillated between overt and latent. Like anti-Semitism, it could be activated quickly in times of distress, "often with devastating consequences, when social or political conditions are such as to provoke them" (Goldhagen 1996, p. 45). Nationalism, the "powerful beliefs and emotions associated with holding the nation to be the paramount political category and object

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<sup>41</sup> This figure of 17 percent is actually a marked decrease for Jews in this sector. In 1895 this figure had been 37 percent (Grunberger 1971, p. 456)

of loyalty” (Goldhagen 1996, p. 45), is a far more powerful notion than patriotism. Nationalism is predicated upon the idea that a national identity must be achieved, based on communal beliefs such as culture, religion or race in efforts to preserve the quintessential essence of the nation. In Germany, nationalism was oriented towards the Aryan ideal; the blonde-haired, blue-eyed people genealogically linked to ancestral nobility who had helped found major civilisations. Hitler was able to draw on the dormant nationalism by referring to the Aryan ideal, highlighting the detrimental effect of Jews on German society and by reinstating German pride. His promises for a stronger Germany as a force to be reckoned with, and a return to pre-war illustriousness, reawakened nationalism within the German citizenry. This, combined with the re-eruption of anti-Semitism, was to create a potent stimulant for German society.

### 3.3 Germany and the National Socialists

The Nazi party assumed power in the parliament despite never winning a clear majority and without offering any sort of political programme beyond appealing to the baser elements of the population. Peukert asserted that it was “a characteristic feature of Nazi ideology that the notions of anti-Semitism, anti-Bolshevism and anti-capitalism were interchangeable” (1982, p. 41). National Socialism reignited the spirit of nationalism, broadcast the inadequacies of Judeo-democracy and pointed to the Jew as the source of all ills. In the context of economic impoverishment, hyperinflation, and unemployment, the Nazi Party promised much that it could not fulfil. The overarching aim of the party was a return to an Aryan national character and the elimination of all Jews and other ‘undesirables’ from Germany. The next subsection outlines the context of Germany under the National Socialists, first with reference to the return to prosperity and the rise of Hitler and the ‘Führer myth.’ Second, the declaration of a *state of exception* is examined, integral to the mass murder that was to follow. Third, the terror imposed upon the Jewish population is highlighted, including that generated by the events of Nuremberg, the



*Anschluss, Kristallnacht, and the Final Solution.* The final subsection briefly addresses Germany's instigation of and involvement in World War II.

### 3.3.1 Return to prosperity

Adolf Hitler soon made his personal ideologies a political imperative for Germany. He was committed to "a political crusade for the salvation of a racially-pure German nation, rescued from foreign enemies and internal democratic and Marxist Jewish traitors" (Newton 1990, p. 110). His utopian vision was founded upon a racial biology, in the quest to produce a Germany that was "ideologically homogenous, socially conformist, orientated towards efficiency, hierarchical in structure" (Peukert 1982, p. 247), to be directed by a unifying leader. Very quickly, Hitler implemented his vision by creating "a semi-religious aura around the concept of leader or Führer and demanded absolute devotion from party comrades" (Newton 1990, p. 112). He also established the 'Stormtroopers' (*Sturmabteilung*) and created the Nazi flag - a black swastika on a red and white background.

The zealotry of Hitler was encapsulated within the 'Führer myth', that "bridged the gap between, on the one hand, the need for uplift, security and a positive outlook on the future and, on the other, the disillusionments of everyday Third Reich life" (Peukert 1982, p. 72). It enabled enthusiastic support for Hitler to dispel the 'evils' that had contributed to the downfall of Germany, particularly the ineffectual former government and the Jews. Hitler received not only enthusiastic support, but also widespread approval. Many Germans believed the Führer unreservedly, especially when "he promised that he would deliver them from the 'abnormal' conditions which had been brought about by the upheavals of modernisation and the hardships of the depression" (Peukert 1982, p. 236). Resistance was counteracted by Stormtrooper terror, long working days and a very efficient and effective system of propaganda, that assured the Germans that things were better under Nazi rule: that money and food were more plentiful, that

Germany was being reinstated as a super power, and that only Hitler could save them from the malicious Jews (Peukert 1982). In reality, “prices of meat, butter, fats and oils...had risen between 50 and 100 per cent, locally, above 1933 levels by December 1935; potatoes cost between 50 and 70 per cent more in 1935 than they had the year before” (Peukert 1982, p. 56).

An important feature of life in the Third Reich was the encroachment of the State into the private sphere, with Hitler taking interest in the population and individuals at a biological level. “The individual’s own psychological make up and personal identity were affected” (Peukert 1982, p. 237), in the quest for a national community<sup>42</sup>, such that political imperatives were directed towards certain racial groups and gendered in the quest for a national community. One of the targeted groups was the youth age group, impressionable and eager to serve their Führer. The ‘Youth League’ of the Nazi party was established in 1922, and by 1933 when Hitler became Chancellor, the Youth League had 3.5 million members, “many encouraged by their parents eager to demonstrate their loyalty to the regime and thus preserve their status” (Newton 1990, p. 255). In 1936, a ‘Hitler Youth Law’ was enacted, and “according to this law, all German girls and boys were expected to join the Hitler Youth as soon as they turned ten. The Hitler Youth, naturally, expanded further [with] membership reaching 8,700,000 in 1938” (Newton 1990, p. 256). Naturally, the Jewish section of the population was excluded from participation, as:

Only those who are comrades of our folk can be citizens of the state. Only those who are of German blood, irrespective of religious belief, can be comrades of our folk. Consequently, no Jews can be comrades of our folk (*Excerpt from Hitler Youth Handbook*, in Newton 1990, pp. 269-270).

There were even legal provisions to remove children from parents whose political or religious convictions were incompatible with the State. The removal to a ‘politically reliable’ home could

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<sup>42</sup> This is discussed in detail later in the section.

be triggered by friendship with Jews or a refusal to enrol children in the Hitler Youth (Grunberger 1971, p. 242). The creation of a common enemy, as well as an indoctrination program for youth, ensured fierce loyalty not only to the Führer, but to anti-Semitism and nationalism.

The other significant rallying call for Germans was Hitler's dual programs of autarky and armament<sup>43</sup>. These programs were designed to create an economically self-sufficient and remilitarised Germany. Grunberger claimed that the clause in the Treaty of Versailles prohibiting military service could be seen as the germ cell of Nazism, as "prohibition of the army was like prohibition of religion, of specific and sacrosanct practices without which life could not be imagined – and this resulted in unlimited recruitment to the Nazis from within the nation" (1971, p. 135). Hitler clandestinely began a rearmament program in 1933. Later, when it became common knowledge, conscription was reintroduced in 1935 and was met with overwhelming support. Autarky ensured "the primacy of politics, and the common good before private interest" (Hayes 1987, p. 72). In 1936, Hitler also remilitarised the Rhineland, in defiance of the Treaty of Versailles (Newton 1990, p. 290).

Autarky and armament not only helped serve the expansionist objectives of the Nazi party (Hayes 2004, p. 112), but also had a large impact on the economy. It transformed the German economy "from one based on free capital and markets to a heavily state directed economy that still operated through private firms"<sup>44</sup> (Dean 2008, p. 51). This is particularly important in the context of this study, as private companies became complicit in anti-Semitic policies directed by the State. In the confusion with this move to a corporative economy<sup>45</sup>,

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<sup>43</sup> Autarky and armament referred to the Nazi policies of self-sufficiency and re-armament. Autarky was essential for the Nazi Party's war aspirations, as a blockaded Germany during World War I severely hampered success. Hitler wanted Germany to be self-sufficient both economically and in terms of resources. Armament was also pivotal for war, and a de-militarised Germany surreptitiously grew its army and armaments production in violation of the Treaty of Versailles.

<sup>44</sup> In other words, it became a corporative economy.

<sup>45</sup> The corporative economy is an economic system that transforms property and private initiatives in the direction pursued by the State while implementing the policy of autarky.

companies struggled to marry their profit-seeking goals with the eliminationist goals of the Nazis.

In 1936 Hitler announced the commencement of the Four-Year Plan, directed by Göring under the guise of autarky, to prepare Germany for a war to begin in four years' time. Hitler desperately wanted to avoid a blockade like the one in World War I that was instrumental in Germany's defeat. In developing and carrying out the Four-Year Plan, the regime worked closely with German companies such as Degussa, Ford, the Deutsche Bank, Krupp, Siemens, Volkswagen, Daimler-Benz and IG Farben (Newton 1990, p. 214). The Nazi party continued its distortion of a capitalist economy by:

a rapid increase in undistributed profits; the precedence of managerial over stockholder interest; the diminished influence of banking and commercial capital; the permeation of the distributive apparatus by industrial monopolists; and a partial reduction of the dominance of heavy industry by the emergent chemical industry and certain of the metallurgical industries (Grunberger 1971, p. 177).

This disruption to private enterprise required private companies to cooperate with State policy to keep profits flowing. "The 'nationalisation' of society by Nazism was followed by the 'privatisation' of the State" (Peukert 1982, p. 44), but since the State had the overarching imperative of war and eradication of Jews, economic concerns fell by the wayside. This greatly frustrated private industry, leading to conduct that demonstrated that "when political changes condition profit making in ways that tend to have immoral results, a capitalist system will prove strikingly malleable" (Hayes 1987, p. 381).

Autarky and armament were supplemented by numerous interventions by the State at the biological level of the population. One intervention that occupied the State for some time related to the role of women, who sought to discipline womens' bodies within their biopolitical agenda. Peukert outlines the two basic features of National Socialism racialism: "eking out

biological grounds for 'suspicion' by using indicators of deviant social behaviour; and systematically extending the classification of types of behaviour from descriptions of small, excluded groups to include norms which could cover practically everyone" (1982, p. 216). These features concentrated positive power of *make live* (see chapter four). Women (*die Frau*) were constructed as the mother figure in a thanatopolitical campaign to have women in the home and reproducing.

A financial incentive to bolster the German population was offered in the form of marriage loans. Marriage loans were offered in the first few months of Nazi power, combined with a 1933 law restricting female employment based on marital status<sup>46</sup>. Marriage loans were only given on the fulfilment of certain conditions, including that the wife/prospective wife would not undertake employment if her husband was employed; that they pass a mandatory fitness test and that the couple was racially viable (Grunberger 1971, p. 238). By June 1938 almost 1,000,000 marriage loans had been taken up, resulting in the removal of 800,000 women from the labour market (Newton 1990, p. 232). Marriage loans could be 'paid off' by the arrival of children (Peukert 1982, p. 216), which resulted in a baby boom that "constituted a biological vote of confidence in the regime" (Grunberger 1971, p. 234). In addition to the marriage loans, child subsidies and family allowances were offered to keep women producing and rearing offspring. If only the father received income the interest rate on the loan was decreased by 2 percent (Grunberger 1971, p. 235). Fertile mothers were awarded the Honour Cross of the German Mother<sup>47</sup>, setting in place a "veritable motherhood cult" (Grunberger 1971, p. 235).

Women found to be unsuitable for marriage loans were not only denied the loan, but also compulsorily sterilised under 1933 law. After the Nuremberg laws of 1935, compulsory

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<sup>46</sup> Only women unmarried and over 35 were entitled to be employed in the civil service (Newton 1990, p. 232).

<sup>47</sup> Bronze for more than four children, silver for more than six, and gold for more than eight (Grunberger 1971, p. 236).

sterilisation extended to the children born between German women and non-white occupation troops in the Rhineland (Peukert 1982, p. 217). This should be contrasted to the views on abortion in the Nazi State, where they were seen as “acts of sabotage against Germany’s racial future” (Grunberger 1971, p. 239) subject to heavy punishment and even regarded at one point as a capital offence. The *Law for the Prevention of Hereditarily Diseased Offspring* in 1933 created a pathway for legal abortions, by claiming a deformity, defect and later Jewishness, as a plausible reason for termination. This law also provided for the compulsory sterilisation of Germans suffering from “physical malformation, mental retardation, epilepsy, imbecility, deafness or blindness” (Grunberger 1971, p. 238). Even a man who had lost his leg in a workplace accident was sterilised under this law because of his ‘diminished earning capacity’ for a family. He later committed suicide (Grunberger 1971, p. 238). The underlying components of this cause were not just the Aryanisation of the German people, but the strengthening of the German people, provided through good genes unencumbered by the perceived ‘weaker’ members of society.

Management of the biological also infiltrated the financial sphere. The largest bank in Germany, Dresdner Bank, published data about the incidence of marriage and fertility among its staff on its balance sheet, causing the State to complain that “the figures are alarming! One half of the bank’s married employees are childless” (Grunberger 1971, p. 237). Promotion was also tied to the biopolitical, as all single applicants had to write a deposition on why they were not married and when they would marry, while childless married civil servants had to explain why they were childless (Grunberger 1971, p. 128). Overall, the figures demonstrate a correlation between the distribution of marriage loans and the increase in the birth rate. “By the end of 1938 a grand total of 1,121,000 marriage loans had been advanced since 1933, compared with 980,000 cancellations due to births; this represented an almost 90 per cent human yield on the fiscal investment made” (Grunberger 1971, p. 235).

The counterpart to the *make live* imperative encapsulated by the marriage loans was the sterilisation campaign to *make* future undesirable members of society *die*. Grunberger estimates that by “the outbreak of war 375,000 people (including 200,000 feeble-minded, 73,000 schizophrenics, 57,000 epileptics and nearly 30,000 alcoholics) had been sterilized, the vast majority of them involuntarily i.e. under official duress” (1971, p. 225). This, coupled with the Euthanasia Programme that eliminated 100,000 inmates of institutions and the 1939 retrospective order to murder the incurable mentally ill (Peukert 1982), helped create the eugenic utopia envisioned by Hitler<sup>48</sup>. Meusel described the context as “the Germans have a new God, and it is The Race, and to this God they bring human sacrifices” (cited in Goldhagen 1996, p. 438). The early thanatopolitical agenda paved the way for the emergence of a state of exception, or a space devoid of law and legality, in order to carry out the eliminationist agenda of the Nazi party.

### 3.3.2 State of exception

Less than a month after the Nazi party received over 30 percent of the votes and Hitler was appointed Chancellor, the *Reichstag* was set on fire. The *Reichstag* building had been the home of the German parliament since 1894, and its arson on 27 February 1933 sparked a chain of events that led to the deaths of millions of Jews. At the scene, Hitler told a British journalist “I hope to God that this *is* the work of the communists” (Newton 1990, p. 191). Within hours, a Dutch communist called Marinus van der Lubbe was identified as the arsonist. Soon after that, Hitler proclaimed that van der Lubbe was acting on behalf of an organised group of communists who heralded the *Reichstag* fire as a signal for a communist revolution (Newton 1990, p. 191). This soon became ‘established fact’, despite Hitler’s claim never being proven. The very next

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<sup>48</sup> The State’s pursuit of eugenics was not confined to Germany. Other countries such as Sweden, Denmark, Canada and the United States also performed compulsory sterilisations on citizens to prevent the continuation of undesirable genetic characteristics (Miller & O’Leary 1987; Leonard 2005).

day, neither Hindenburg<sup>49</sup> nor any of the conservative ministers resisted when Hitler declared an emergency decree to meet the communist threat. This decree, “known since as the *Reichstag Fire Decree*, swept away precious civil liberties at a stroke” (Newton 1990, p. 191). The decree set out in Article 1 that:

Sections 114, 115, 117, 118, 123, 124, and 153 of the Constitution of the German Reich are suspended until further notice. Therefore, restrictions on personal liberty, on the right of free expression of opinion, including freedom of the press, on the right of assembly and the right of association, and violations of the privacy of postal, telegraphic, and telephonic communications, warrants for house searches, orders for confiscations, as well as restrictions on property, are also permissible beyond the legal limits otherwise prescribed (Decree of the Reich President for the Protection of the People and the State (*Reichstag Fire Decree*) February 28 1933, USHMM 2018).

The declaration of a ‘state of siege’, ‘state of emergency’, martial law, or known in Germany as *Ausnahmezustand*, had the effect of suspending normal law and rights until the crisis has passed. This emergency decree was to remain indefinitely, even once the crisis has passed as evident during the 12-year *Ausnahmezustand*.

On 23 March 1933, the weak remnants of the Weimar Republic allowed for the escalation of Nazi power when “Hitler put forward a proposal for a drastic new law that would enable his cabinet to govern by decree” (Newton 1990, p. 194) – the *Enabling Act* (sometimes referred to as the Enabling Law). With the threat of communists and Marxism, a *state of exception* was created. Communists, therefore, became the original *homo sacer* in the Third Reich (see chapter four). Hitler now had the extraordinary powers conferred by the *Enabling Act* to govern by decree, without reference to anyone else within the German parliament (Newton 1990, pp. 194-195).

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<sup>49</sup> The President of the Weimar in 1933.



Peukert (1982) explored the idea of 'everyday life' in Germany under a *state of exception*. He questioned whether it could even be termed 'everyday life', in "an era which, for the victims of persecution and war, meant a perpetual state of emergency" (Peukert 1982, p. 21). Examining the use of force and power by Hitler, he declared that "consent to the use of terror as an emergency measure in order to restore 'order', and approval of its use as a means of excluding those who were alien to the 'national community'" (Peukert 1982, p. 198), was essential in consolidating Nazi power. The power inferred by the *Enabling Act* de-democratised the Nazi State, leaving open a space for fascism. Ultimately, it is possible to live an 'everyday life' under a perpetual state of emergency, or *state of exception*, but it leaves those in that state exposed to the legal unlawful possibilities of the *Enabling Act*.

Since most Germans had a predisposed fear of communists and Marxism this 'crisis' appeared legitimate. After the *Reichstag Fire Decree* (1933) and the *Enabling Act* (1933), Hitler was free to deal with his political opponents in completely undemocratic and, in what would be considered unlawful ways, within this *state of exception*. On 1 July 1933, "the Ministry of the Interior recorded that 26,789 persons were being held in 'protective custody,' the Nazi-Deutsch term for the internment of political opponents" (Dean 2008, p. 21). Again, Hitler faced no resistance from conservatives (Newton 1990). One theory is that lack of resistance followed from the fact that these unlawful legal acts were happening to others and seemed so far removed from the possibility of happening to them. They too wanted the destruction of Marxism (Newton 1990, p. 194). For the next four months any political opposition either disappeared or was forcibly suppressed (Newton 1990, p. 195). By the following May, any assets belonging to the former Communist Party were seized by the State.

One year later, in July 1934, *Operation Hummingbird*, otherwise known as the 'Night of the Long Knives' was carried out. Hitler's own paramilitary Stormtroopers, as well as his former friend and ally Ernst Röhm, were surprised by Hitler and the Gestapo, as part of a purge to

consolidate Hitler's power. Acting within the confines of the *Enabling Act*, Hitler arrested over 1,000 Stormtroopers and executed without trial 85 former supporters. Execution without trial was unheard of in Germany at this time; even the alleged arsonist van der Lubbe was given the courtesy of a trial (Williamson 2018, p. 36). This left many in Germany confused and apprehensive, but as Führer myth shrouded their views, many concluded that the action was merited. Newton explains that:

the enormity of Hitler's victory must be stressed. His movement had organised hundreds of murders without any pretence of trial and yet he had received praise all around for his action...Two generals, Schleicher and Bredow, were among the victims, and yet the army leadership had sided with the Nazi hitmen. Catholic leaders had been gunned down, yet the church did not order the faithful to begin resistance. Because the victims were largely SA men, violent ruffians whose leaders were now exposed in the press as sexually different from the majority, the German public seemed inclined to accept the Führer's rough justice (1990, p. 199).

Under the pretence that a *coup d'état* was in place by Röhm and his companions, "the cabinet, still dominated by conservatives, made no protest" (Newton 1990, p. 198). The *Law Against Malicious Gossip* (1933) helped ensure that political opponents could now find no recourse or protection from the courts (Newton 1990, p. 229).

Once the *Reichstag Fire Decree* (1933) and the *Enabling Act* (1933) were in place, the ability to deal with the communist threat was activated. This then led to extreme measures for other National Socialists, and other political opponents. These Acts, generated by a crisis, remained in force once the crisis was over and the threat removed. This has led many to claim that the *state of exception* became the rule (Benjamin 1942; Agamben 2005; Genel 2006; Humphreys 2006; Huber & Scheytt 2013), thus leaving the entire population exposed to the unlawfulness that can occur with the suspension of rights. What began as a response to communism ended in the mass murder of millions of Jews. The Jews became the new crisis and the new threat.

Peukert redefined the 'everyday life' in the state of exception, and reclassified it as "everyday deprivation, loss of rights and freedoms" (1982, p. 243). Loss became a feature of everyday life, and in the context of Nazi Germany this came to be seen as a financial loss of life, a loss of liberty, and the loss of actual life. The Jews were not the only groups to experience both this loss and the suspension of their rights due to a perceived threat to the national German body. Homosexuals, gypsies, people with mental and physical disabilities, Jehovah's Witnesses, Catholics, Freemasons, and other political prisoners all suffered at the hands of a Germany that had given its fanatical leader ultimate power (Williamson 2018, p. 78). Massacres were carried out under legal pretence, with decrees declared solely by Hitler to legalise imprisonment and murder, sometimes retroactively. It is not my intention to diminish the suffering of these marginalised groups by focussing on the persecution of the Jewish population in Germany. It is a methodological decision discussed in chapter five. What should not be forgotten though, is that Nazi eugenics were:

not confined only to serialisation and euthanasia for the 'valueless' and the encouragement of fertility for the 'valuable'; it laid down criteria of assessment, categories of classification and norms of efficiency that were applicable to the population as a whole. The goals were people of German blood and Nordic race (Peukert 1982, p. 208).

Any who fell outside of this were encompassed by fascist racism, and lost their financial life, their political life, and their actual life. They were subject to the radical racial ideology of a man who ironically would have deviated from this norm himself.

### 3.3.3 Jew terror

The focus of this study is on the persecution of Jews through the policy of Aryanisation, the forced labour of foreign workers, the slave labour of Jewish workers, and the mass murder of Jews. This section first discusses the various legal curtailments on Jewish life predicated on

an anti-Semitism ideology espoused by the Nazi party. Second, the major events of the Nuremberg laws, the *Anschluss* and *Kristallnacht* are considered. Finally, the result of the Wannsee Conference and the revelation of Hitler's true exterminationist plans are discussed as the 'Final Solution' to the Jewish question.

What became known as the Holocaust did not begin as soon as the Nazis ascended to power. The prelude to the Holocaust included the Nazi government disposing of all political rivals, militarising the State and economy, preparing for wars of aggression, and the employment of a variety of strategies to eliminate Jews from German life (Hochstadt 2004, p. 36). What underlined the ideology and political strategy of the Nazis was anti-Semitism. Grunberger explained that "without anti-Semitism, Nazism would have been inconceivable, both as an ideology and as a catalyst of the emotions" (1971, p. 466).

The first action to remove Jewish influence from Germany was to exclude the Jews from the German economy, a policy known as 'Aryanisation.' James outlined the roll-out of Aryanisations by dividing the process into several phases:

In the first, from 1933 to 1937, there were no central State initiatives systematically to expropriate or eliminate Jewish-owned business. In the second, from 1937 to 1939, in Germany, the state aimed at the elimination of Jewish business life... In the third, from 1938 onward, the expropriation of Jewish property outside the former German territories took place in the context of a radical mobilisation of anti-Semitic resentment, and then of a racial war. The seizure of property in Austria and the Czech lands, and the immediate and brutal persecution of Jews, provided a precedent for later occupation strategy (2001, p. 212).

Aryanisation is discussed in greater detail in chapter six, but it is important to note that these acts to exclude Jews from business and the economy were all legally sanctioned. On 12 June 1933, on the back of the *Enabling Act*, the *Law Against Betraying the German National Economy* (1933) was introduced (Bajohr 2002, p. 154). This left the Jewish population particularly vulnerable, as banks could freeze assets, investments and income, confiscate accounts

receivable, and seize passports to ensure Jews could not escape without paying the *Reich Flight Tax* (Bajohr 2002, p. 157). In reflecting the strong anti-capitalist views of the Nazi party, imposing a restriction on the use of Jewish assets, preventing Jews from the ownership of business and “the right to earn a living, [meant] the program effectively demanded the exclusion of Jews from economic life and their progressive expulsion from Germany” (Dean 2008, p. 19).

After mass boycotts of Jewish businesses, called for by the State and its agencies, other laws were passed to curtail the economic life of the Jews. This included the *Law for the Restoration of the Professional Civil Service* (1933), which dismissed thousands of Jews from the civil service as ‘race’ became a qualification for employment (Goldhagen 1996, p. 91). Other legislation, which legalised racist and discriminatory practices towards Jews, included the *Law on the Admission to the Legal Profession* (1933), *Law Against Overcrowding in Schools and Universities* (1933), *The Denaturalization Law* (1933), *The Law on Exchange Control* (1935) and *The Army Law* (1935) (Anti-Semitic Legislation 1933-1939, USHMM 2018). All of these laws were designed to physically remove Jews from the legal profession, from attending school or university, from receiving marriage loans, and to revoke German citizenship and block bank accounts. In sum, they were implemented to increasingly narrow the space Jews could occupy in Nazi Germany.

By 1938, compulsory Aryanisation was in full effect and Jews were required to adopt the new first names of ‘Israel’ for males and ‘Sarah’ for females under the *Executive Order on the Law on the Alteration of Family and Personal Names* (1938) (Newton 1990, pp. 233-234). Other constricting legislation included *The Decree against the Camouflage of Jewish Firms* (1938), the *Order for the Disclosure of Jewish Assets* (1938), the *Jewish Capital Levy* (1938), the *Decree on the Confiscation of Jewish Property* (1938), culminating in the *Decree on the Exclusion of Jews from German Economic Life* (1938) (Anti-Semitic Legislation 1933-1939, USHMM 2018). The Nazis had effectively reduced the Jewish people to poverty, with no financial means to live, or

to survive. Goldhagen explained that “the Germans’ exclusion of Jews from the economy proceeded throughout the first years of the regime as the economic health of the country permitted, and then with increased vigour in 1938” (1996, p. 137), as the Nazis marched closer to their ultimate goal of extermination.

The first acts of persecution, namely the exclusion of Jews from the national economy and from social life, “were carried out in the open, under approving eyes, and with the complicity of virtually all sectors of German society...hundreds of thousands of Germans contributed to the genocide and the still larger system of subjugation that was the vast concentration camp system” (Goldhagen 1996, p. 8). From the earliest infringements of rights relating to biological factors (the *Law for the Prevention of Progeny of the Genetically Unhealthy* (1933)), minority groups cast as racially inferior were deemed to need governmental control. The Reich Minister of the Interior claimed “we must once more have the courage to classify our people according to their hereditary value” (Peukert 1982, p. 217). This ‘courage’ was correlated to silence when “measures for eliminating ‘community-alien’ groups within the population were accepted and even approved, provided that they were applied within a framework that was outwardly legal” (Peukert 1982, p. 219). The Nazis had successfully dehumanised the Jewish population through discriminatory legislation and the removal of their political voice. As Goebbels articulated:

the Jews have no right to pretend to have rights equal to ours. Wherever they want to open their mouths, in the streets, in lines in front of the stores, or on public transportation, they are to be silenced, not only because they are wrong on principle, but because they are Jews and have no voice in the community (cited in Hochstadt 2004, p. 130).

The decrees against Jews did not ease upon Germany instigating the war. As late as 1942 the State was still infringing on Jewish life. The *Decree of the Führer and Reich Chancellor on the Utilisation of the Requisitioned Property of Enemies of the Reich* (1941) deprived emigrated Jews of their citizenship, resulting in the seizure of property for the State (Bajohr 2002, p. 243).

Further, Jewish emigration was made illegal. At the outset, the Nazis imagined they could appropriate 7.5 billion marks<sup>50</sup> from the Jews in their policies of Aryanisations, through blocking orders and taxes (Hochstadt 2004, p. 82). While there were over 400 decrees designed to exclude, punish or remove Jews from Germany in both the public and private spheres (Anti-Semitic Legislation 1933-1939, USHMM 2018), other informal reminders reinforced the anti-Semitic ideology of the Nazi party. Placards were positioned prominently in cities and towns reading: 'Jews Enter This Place at Their Risk', 'Jews Strictly Forbidden in This Town', 'Warning to Pickpockets and Jews' (Goldhagen 1996, p. 92). The only respite from the constant visual reminder came in 1936, when the placards were temporarily removed "for the benefit of the tourists flooding into Germany during the Berlin Olympics" (Newton 1990, p. 234).

To further single them out, a decree was issued in 1939 that all Jews must wear a yellow armband in response to "substantial abuses caused by Jews in the public life" (Hochstadt 2004, p. 93). Violations were punishable by death. This was augmented by the introduction of the yellow Jewish star for the purpose outlined by Goebbels of:

marking him [the Jew] externally, above all so that at the slightest attempt to violate the German national community, he can immediately be recognised as a Jew. It is an extraordinarily humane order, so to say, a prophylactic health measure, which should prevent the Jews from creeping unrecognised into our ranks, to sow disunion (cited in Hochstadt 2004, p. 129).

The biological identification of the Jews provided Hitler with his internal enemy, identifiable and hated by the population in all its incarnations. As Peukert explained:

the intellectual, culturally assimilated Jew stood for detestable modernity; the religious Orthodox Jew matched the traditional hate-image of Christian anti-Semitism; the economically successful Jew stood for 'money-grubbing capital' and liberalism; the Jewish socialist represented abhorrent 'Bolshevism' and 'Marxism'; the 'Eastern Jew' from the alien culture of the ghettos was a suitable target for the aggression and arrogance of the civilising and colonialist missions of

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<sup>50</sup> Worth approximately \$US34.7 billion today (Guinnane 2015)

the imperialist era. Unlike traditional anti-Semitism of a religious or nationalistic cast, the anti-Semitism of the NSDAP was thus directed not against selected characteristics of the Jews but against an abstract object, 'the Jew' as such: an artificial racialist construct. This all-encompassing image entailed in an all-encompassing 'Final Solution' (1982, p. 209).

The Nuremberg Laws were proclaimed on 15 September 1935 in the midst of Aryanisations and just prior to the Four-Year Plan and war aspirations. The Nuremberg Laws comprise two different decrees: the *Law for the Protection of German Blood and German Honour* (1935) and the *Reich Citizenship Law* (1935). The former details that:

inspired by the knowledge that purity of the German blood is the prerequisite for the continued existence of the German people, and animated by the inexorable will to secure the German nation for all time, the Reichstag has unanimously adopted the following law, which is hereby promulgated:

S 1 1) Marriages between Jews and subjects of the state of German or related blood are forbidden. Marriages nevertheless concluded are invalid, even if concluded abroad to circumvent this law.

S 2) Only the state prosecutor can bring annulment proceedings.

S 2 Extramarital intercourse between Jews and subjects of the state of German or related blood is forbidden.

... S 5 1 whoever violates the prohibition of S 1 will be punished with the penitentiary...  
(cited in Hochstadt 2004, p. 44).

These laws saw a direct intervention by the State into the private sphere, effectively legislating for the sexual activities of its citizens. It intervened at an individual, physical level in the attempt to promulgate German blood and to racially exclude inferior blood. Overarching this policy was the ideological need to prevent any further 'tainting' of German blood with the birth of 'mixed race' children. This goes well beyond the aims of the Nazi party to bolster population through the motherhood cult. It does, however, speak to their racial agenda and ultimate goal of eliminating Jews. These laws also saw the revocation of German citizenship for all Jews and part-



Jews (Mischling), effectively severing any political participation (Newton 1990, p. 234). The suspension of rights under the *Reichstag Fire Decree* (1933) translated into the removal of rights for Jewish people.

The Nuremberg laws helped solidify some complicated aspects of the war on the Jews. It defined who was Jewish, who was part-Jew, and who was not Jewish; thus demarcating those with rights and those without. It also helped lay the foundations for the eliminationist program, justified by the fact that the Jews were not only not Germans, they weren't even people. The laws also rejected the traditional "view of Jews as members of a religious or cultural community. They claimed instead that Jews were a race defined by birth and by blood" (Nuremberg Laws, USHMM 2018). This meant that those who had converted from Judaism, or who were not even aware that ancestors were Jewish, were also classified as Jews and subject to the same laws. The Nuremberg laws "were very popular among the German people" (Goldhagen 1996, p. 98).

Of utmost importance in the enactment of these laws was the social effects on the Jewish and German populations. All of the decrees and measures were designed to "rob Jews of their livelihoods, to sink them into a state of hopelessness, and to isolate them from the larger society in which they had moved freely but a few years earlier. They made Jews socially dead" (Goldhagen 1996, p. 138). Socially dead beings could not participate financially or politically in the nation, and so became exposed to the violence of the State. The Nuremberg laws represented a "considerable radicalisation of persecution" (Dean 2008, p. 38). The verbal and, at times, physical violence directed at Jews by the German population created a "moral caesura separating them, the laws and regulations declared and enforced a physical and social gulf" (Goldhagen 1996, p. 139). The legislation enacted at the time allowed, and even encouraged, the persecution of the Jewish population.

The *Anschluss* (annexation) of Austria on 13 March 1938 was the first Nazi victory to see Hitler's expansionist plans come to fruition. It became "the signal for a spontaneous outpouring

of popular violence against Jews by Austrians” (Hochstadt 2004, p. 60). Echoing the subsequent events of the Reichstag fire, all political opponents were imprisoned, and property of opponents and of Jews was seized (Anschluss, USHMM 2018). Hitler’s military troops, Nazi party members and anti-Semites:

took the opportunity to attack and rob their Jewish neighbours. Jews all over Austria were assaulted in the streets and in their homes, beyond anything seen yet in Germany. Three thousand Viennese Jews were arrested in the next few weeks, and Jewish property was stolen, destroyed, or confiscated by the state and by individual citizens (Hochstadt 2004, p. 60).

The anti-Jewish legislation was immediately extended to Austria, and thus the Jews of Austria found themselves in a similar predicament to those in Germany. The event also signalled the permission given by the government for violence and theft to be carried out without repercussions, as long as it was directed at the racially inferior.

The economic and social exclusion of the Jews reached an apogee on 9 November 1938 when “Germans in cities, towns and villages across the country were awakened to the sounds of shattering glass, the light and smell of burning synagogues, and the cries of agony emitted by Jews whom their countrymen were beating to a pulp” (Goldhagen 1996, p. 100). *Kristallnacht*, or the ‘Night of Broken Glass’ principally carried out by Hitler’s paramilitary forces, instituted such significant violence and destruction, destroying hundreds of synagogues, the stores and businesses of Jews, as well as killing “approximately one hundred Jews and [hauling off] thirty thousand more to concentration camps” (Goldhagen 1996, p. 100). *Kristallnacht* was an orchestrated response to the shooting of the Third Secretary at the German Consulate in Paris by a seventeen-year old Jewish youth, protesting the mass deportation of Jews with Polish citizenship to Poland (Dean 2008, p. 112). “This exhibition of open violence removed the last legal and political restraints on the treatment of the Jewish population” (Dean 2008, p. 112) and escalated the exclusion of the Jews from the German economy with the decree of the same

name. What was once coerced requisitioning of Jewish business with inadequate compensation, became forcible removal/acquisition by the State without reimbursement. Grunberger asserts that *Kristallnacht* was “the most concentrated opportunity for capitalising on the Jewish catastrophe” (1971, p. 102), as not only were Jews hauled before notaries and coerced into transferring their property to Aryans, they were levied with a punitive tax on the cost of the destruction of the program. The Jews effectively had to pay for the ‘privilege’ of being attacked and assaulted, of having their property destroyed and of being herded off to concentration camps to the cost of 1.1 billion RM<sup>51</sup> for the State (Dean 2008, p. 62).

The German people openly expressed their criticism, but not over the treatment of the Jews. They instead deplored the “wasteful destruction” (Goldhagen 1996, p. 102) of so much property, including German property caught in the cross-fire. Some did express shame, asking “how can something like that happen here? It’s a disgrace” (Peukert 1982, p. 149), but the majority derived enormous satisfaction from seeing the Jews dealt with in accordance to their human categorisation, with “many Germans openly greeting *Kristallnacht* itself” (Goldhagen 1996, p. 102).

Hitler brought his anti-Semitic views to politics, but it was only after the Nazi party began capitalising on its radical right-wing views that it gained the momentum that was ultimately to bring it to power. While Hitler’s eliminationist tendencies were well-known, his exterminationist agenda was largely hidden from public view. Goldhagen outlined that:

Hitler leaped across the moral chasm that ordinary Germans on their own could not cross. He also engineered the conditions that enabled the exterminationist version of the eliminationist ideology to become a practical guide for action. By bringing people harbouring an eliminationist mind-set with exterminationist potential into institutions of killing, by sanctioning their actions with the orders, hence the blessings, of a charismatic, beloved leader, the German State was able, easily, to enlist ordinary Germans in the program of extermination, even though, prior to

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<sup>51</sup> RM stands for Reichsmarks. According to Guinnane (2015), USD\$1 in 1933 was the same as 4.2 RM. USD\$1 in 1933 is worth USD\$19.45 in today’s money.

its implementation, most of them had certainly never imagined that they would be mass executioners. After the years of turmoil, disorder, and privations that Germans believed the Jews to have caused their country, Hitler was offering Germans a true 'Final Solution' (1996, p. 447).

Himmler declared "this people must disappear from the face of the earth" (Goldhagen 1996), and so the stage was set to move from economic and political exclusion to murder.

Over the next three years, Jews from Nazi-occupied Europe were transported to death camps such as Auschwitz, Treblinka and Chelmno. They were sorted according to fitness, with those who were healthy sent to work at slave labour camps, and those who were not, including children, the elderly and the sick, marched directly to gas chambers disguised as shower blocks for immediate execution (Newton 1990, pp. 366-367). A personal order from Hitler ensured a "total news blackout on all anti-Jewish measures" (Newton 1990, p. 369) and Hitler's war on two fronts – the external war for the annexation of Europe and the internal war against the Jews - began.

The Jews had moved from program to program that had been designed to liquidate them from the Earth. As Professor Konrad Kwiet from the Sydney Jewish Museum and Holocaust survivor stated:

[they] were 'impoverished and deprived of their rights, decimated and elderly, separated from their families and cut off from the outside world, obliged to perform forced labour and crammed together in 'Jewish houses', undernourished and exhausted, limited in their freedom of movement [and after September 1941] brand-marked by a star the size of a side-plate (cited in Dean 2008, p. 167).

Genocide was inevitable for the Jews in Germany, "immanent in the society's proto-genocidal practice of the 1930s. Under the proper circumstances, eliminationist anti-Semitism metastasised into its more virulent exterminationist form" (Goldhagen 1996, p. 449), leading to the deaths of over 6 million Jewish people. The camp system itself denied the equality of all

humans, as “in the Nazi German cosmology, some humans, by reason of their biology, ought to be killed; others were fit for slavery, and they too could be killed if the Germans deemed them to be superfluous” (Goldhagen 1996, p. 457). To be able to intern people in a camp and label them as slaves, “pieces of prisoner”<sup>52</sup> (Grunberger 1971, p. 330), loads or consignments of “human guinea pigs”<sup>53</sup> (Grunberger 1971, p. 330), was to deny them their humanity. The camp became a defining feature of the Nazi period, and a paradigm for Agamben (see chapter four). The camp “was the institution that most prominently set Germany apart from other European countries, and that to a large extent gave it its distinctive murderous character. The camp system was also the largest and most important institutional innovation of Nazism, forming an entire new subsystem of society” (Goldhagen 1996, p. 459).

While the Final Solution was not decreed until 1942, the period between the beginning of World War II and the Wannsee Conference (1942) was not a respite in the eliminationist ideal, “but a period of eliminationist *experimentation* that produced a series of measures ultimately unsatisfactory to the Germans; they were not feasible as ‘final’ solutions” (Goldhagen 1996, p. 146). The ghettoization of Poland, the mass executions by firing squad, and calculated death through starvation, still instituted systematic murder of the Jews. What was unsatisfactory was the time the deaths took, the lack of efficiency and, surprisingly, the emotional toll on the execution squads (Goldhagen 1996).

The Jews received a stay of execution during labour shortages of the rearmament, as “the economic argument was added to the argument from social order” (Peukert 1982, p. 213). This economic argument was short-lived as the anti-capitalist and anti-Semitic ideology of the Nazi party could not be overcome. As Goldhagen articulated:

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<sup>52</sup> Warders at Belsen camp referred to the inmates in this way.

<sup>53</sup> Correspondence between IG Farben’s drug research section and Auschwitz camp authorities referred to the inmates in this way.

the political-ideological imperative to separate the Jews from Germans, to punish the Jews, and to kill them, together with the manifold forms of crippling and fatal abuse to which the Jews' 'foreman' subjected their 'workers' in face-to-face relations, prevented the Germans from meeting their pressing economic needs. The objective economic need existed. The Germans were ideologically and psychologically unfit to respond to it (1996, pp. 426-427).

Foreign workers became available as Germany annexed more countries, so the need for Jewish workers declined, and the Jews were returned to the death camps to await their fate. The companies who had hitherto made use of the Jewish slave labour did not seem perturbed by their fate: what was important was the consignment of fresh labour.

The terror and persecution faced by the Jews in Nazi Germany was manifest, extreme and pervasive. It led to "the institutionalisation, hitherto unimaginable, of industrialised, multi-million-fold murder, where the nuances of individual cases shrank into statistical 'insignificance' in the face of sheer numbers" (Peukert 1982, p. 234). It highlights the need for further exploring the human experience through testimony, as this study does.

#### 3.3.4 World War II

From his pre-Chancellorship stance, it was always clear that Hitler held an eliminationist policy towards the Jews. Less known were his expansionist plans to dominate Europe. These plans became more apparent with the policies of autarky and armament as well as the Four-Year Plan. As Germany's involvement in World War II is beyond the scope of this thesis only a brief overview of its war activities will be presented. Austria and Poland were the scenes of Aryanisation, slave labour and mass murder of the Jews, and German activities in these countries will be discussed in later chapters.

The war for Germany began in September 1939 with the invasion of Poland. Hitler was, at this stage, still testing the Allied powers to determine the point at which they would counter

his expansionist tendencies. Prior to the invasion, the Nazis had made several developments to further their war agenda. From 1936-1939 alliances were formed with Italy and Japan, Hitler had assisted General Franco's fascist forces against Spain, and a non-aggression pact was signed with the Soviet Union, ensuring that Stalin would not pose a significant threat (Newton 1990, p. 290). During this time Hitler began annexing various regions, creating unease and a reluctance to intervene by Britain and France. In March 1938 Austria became part of Germany, followed by the Sudetenland border in Czechoslovakia in October (Newton 1990, p. 290). In March 1939 Bohemia and Moravia<sup>54</sup> were also combined to make a greater Germany. This act finally drew Britain out, with Prime Minister Chamberlain warning that if this was a prelude to future action, Britain would "resist to the utmost of its power" (Newton 1990, p. 318). Hitler was only three years into his Four-Year Plan and Germany was not ready for full-scale war. His attempted peace offer with France and Britain was rejected in October 1939 (Newton 1990, p. 338), thus the reluctant and premature instigation of World War II (Goldhagen 1996, p. 147).

Before the end of March 1939 Poland had surrendered. Polish citizens were transported as foreign labourers into Germany to assist with the war effort, as more German workers were conscripted to meet the advancing lines of Hitler's military. This reservoir of slave labourers was integral to the continuation of Germany's autarky and armament policies. Hitler spent time placing a foothold in Poland before swiftly absorbing Denmark, Norway, Belgium, Holland, Luxembourg and France by mid-1940 (Newton 1990, p. 332). This was soon followed by the Battle of Britain, incorporating 'the blitz'.

A turning point for Hitler came when the Italian operations in Egypt ended in Italian retreat and the formation of the Africa Corps in 1941 (Newton 1990, p. 341). An ally was lost. Nevertheless, Hitler continued his momentum, annexing Yugoslavia and Greece in April 1941.

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<sup>54</sup> Districts in Czechoslovakia.

As more countries were falling under German control, Hitler's unstoppable war machine soon dominated Europe, leaving the Allies scrambling.

An ill-fated operation, seen by some as the decisive turning point in the war (Newton 1990, Goldhagen 1996) changed the fate of Germany. In June 1941 Hitler launched Operation Barbarossa – a surprise attack on the Soviet Union in defiance of their non-aggression pact. This carefully orchestrated attack had several stipulations typical of Nazi Germany. This included an order “stipulating that in the forthcoming campaign all captured Red Army political commissars (members of the Communist Party) were to be shot immediately after capture” (Newton 1990, p. 346). This was in complete defiance of the 1929 Geneva Convention. A second document was distributed emphasising the “need to annihilate Bolsheviks, Jews, saboteurs and partisans. Collective punishments on whole villages were to be imposed, that is mass-shootings, if resistance continued behind the line” (Newton 1990, p. 346). The Germans made swift progress through Russia as the cities of Minsk, Smolensk, Kiev, Orel and Rostov fell in rapid succession (Newton 1990, p. 333). The city of Leningrad was starved out in a ceaseless blockade while the remaining army continued toward Stalingrad.

As is well noted by now, this war was no ordinary war predicated entirely on expansion and absorption. As Hitler explained to his generals, “it was to be a war of races and ideologies in which Nordic Nazism had determined on a final life or death struggle with the Slavic sub-humans and their Jewish-Bolshevik leadership. Absolute brutality was emphatically demanded” (Newton 1990, p. 346). This meant that despite the multiple war fronts Hitler was commanding across Europe, there was an internal war on the Jews, and this distraction would ultimately prove fatal to Hitler's expectations.



A second turning point for Germany was the declaration of war on the USA in December 1941 after the attack on Pearl Harbour by the Japanese<sup>55</sup>. At this point Germany was locked into a stalemate with Russia, who, while being far less disciplined and under-resourced, had vast quantities of men to commit to the war effort and far more experience with the severe Russian climate. One month after its declaration of war on the USA, the Wannsee Conference was held, sealing the fate for millions of Jews. By the time the Nazis realised they were needlessly wasting human capital, it was too late.

The Battle of Stalingrad, lasting from 1942-43 saw ferocious fighting between the Russian and German forces. This battle ultimately saw the retreat of Germany, and the beginning of the end of Hitler's expansionist aspirations. By D-Day in 1944, the German army was in full retreat on both sides, with the Russians closing in on the East to reclaim Poland. Stalin had by this time joined the Allies. With his enemies closing in and discovering the secret horror of the German atrocities, Hitler committed suicide on 30 April 1945. Two days later Berlin surrendered to Soviet forces (Newton 1990, p. 381). The war, the Nazi party and the Third Reich was over but the aftermath of devastation from the Holocaust lingers even today.

The following section focusses on developments in the accounting profession in Germany and the impact of the Nazi State on the accounting profession to further contextualise the situation that was particular to Nazi Germany.

### 3.4 The accounting profession in Germany

The German accounting profession came, like other professions, services and corporations, under the control of the Nazi Party due to their policy of centralisation. The

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<sup>55</sup> Germany had signed a treaty with the Japanese in 1940 to form part of what is known as the 'Axis powers'.

developments of the accounting profession in Germany differed from those of other industrialised countries contemporaneously. In Germany accountants resembled bookkeepers and the profession was weakened by the control that the Nazi party exerted over all aspects of industry and business. This section contrasts the accounting profession of other industrialised nations with the slower and more frustrated movements of the profession in Germany. Developments in the German accounting profession from the 18<sup>th</sup> century to 1933 are contextualised as well as accounting under the Nazi Party to situate the practice of accounting at the time, in accordance with the aims of 'new' accounting history.

#### 3.4.1 Contextualising the accounting profession – developments in Scotland, England and France

Germany's cultural, political and social contexts directly inhibited the growth of the accounting profession, such that it was unable to fully form before the National Socialists claimed it under their dominion. In contrast, the developments in Scotland, England and France (as examples) were quite different. Scotland established the first professional association of accountants in 1854 in response to increased information needs instigated by the Industrial Revolution (Carey 1969). The new capital structure posed new problems for what was primarily the practice of bookkeeping. In response the 'Society of Accountants in Edinburgh' was formed (Stewart 1977). This, along with the establishment of other bodies in Scotland, prompted a similar response in England.

The Institute of Chartered Accountants in England and Wales' was formed in 1880, combining the two pre-existing accounting bodies that formed in 1870 (Markus 1997). Like its Scottish counterparts, this accounting body quickly established itself as professional, autonomous and with exacting membership standards codified by law. The early Anglo

accounting bodies had set out a clear path for professionalisation which was founded on law and independence.

The context in France was slightly different to England and Scotland. While the Anglo-Saxon profession was established primarily by lawyers who already had professional status within society (Boyns et al 1997, p. 192), there was no equivalent in France. The accounting profession in France was formed by engineers who worked for the State (Ramirez 2001). Accountants in France were viewed as the 'poor cousins' of established professionals such as engineers and doctors (Nioche & Pesqueux 1997). They were seen to possess little education and mediocre social standing (Brown 1905, pp. 290-291, cited in Boyns et al 1997, p. 193; see also Colasse & Durand 1994). Unlike the Anglo experience, repeated attempts for professionalisation in France were impeded by the State, which played a more central role in business organisations. Lemarchand and Parker (1996) further attributed the slow development of the profession to the French State providing capital for major industrial projects such as railways and public utilities. In Anglo-Saxon economies capital was largely provided by private enterprise requiring independent accounting services. In France, the State had its own methods for accounting for the industrial expansion and as such developments in accounting practice also stagnated.

In 1881 the *Société Académique de Comptabilité* was formed (Boyns et al 1997, p. 192). The combined effects of State capital, lack of network connections with the State (Ramirez 2001) and the low esteem held by society for the place of accountants hampered the development efforts of forming a professional body in France, a considerable difference to the Scottish and English experience. Momentum for a professional body grew with the stock market crash of 1929 and subsequent depression, but was swiftly hampered by World War II. Professional status was not given until occupation by the Vichy government (Ramirez 2001, p. 413), and even then accountants still lacked the status and esteem that the Anglo-Saxon models had achieved by this

stage. The experience in France was similarly faced by German accountants, demonstrating the different roles the State played between the Anglo and Continental development of the accounting profession.

The foundations of the German accounting profession can be found in its earliest incarnation – the book examiner. The book examiner was promoted to the position of auditor through the use of expert testimony in the court system. Following the 1900 change to the Trade Regulations Statute, the Association of Auditors in Berlin, formed just four years prior, became the *Der Verband Deutscher Bücherrevisoren* (“VDB”) (Association of German Auditors). From 21 members in 1901, the VDB grew to 852 by 1929 (Markus 1997, p. 5), and as the largest accounting organisation, saw itself as the leader of the developing profession. With the implementation of statutory audits following the stock market crash, several smaller disparate groups finally conceded that a single organisation should represent the profession and, in 1930, they combined to form the *Institut für das Revisions- und Treuhandwesen* (Institute for Auditing and Trust Matters) (Markus 1997, p. 29). In January 1932 the *Institut für das Revisions- und Treuhandwesen* was renamed the *Institut der Wirtschaftsprüfer* (“Institut”). The:

*Wirtschaftsprüfer* profession was created...with the objective of having a highly qualified and reputable profession enjoying the confidence of industry and the state and which could replace the foreign accountants who had established themselves strongly in the previous decade (Markus 1997, p. 15).

The establishment of both the new organisation and the *Wirtschaftsprüfer* gave the technicians international recognition, enhanced the prestige of the profession and provided an organised body to address the concerns of the public and the requirements of legislation (Markus 1997).

The Institut held its first Annual General Meeting on February 19, 1933 – twenty days after Hitler was appointed Chancellor of the Reich. Despite his ascension to power, the minutes “show no trace of National Socialist politics” (Markus 1997, p. 63) nor of any indication that this

was to be the first and last AGM of the Institut. Having spent the last three decades establishing the profession and a body to supervise and regulate it, the development of the *Wirtschaftsprüfer* profession was about to be confronted with the National Socialist ideology. This ideology strengthened the nationalism and paternalism fostered in the struggle for racial purity that would ultimately affect every sphere of German life – the new accounting profession included.

### 3.4.2 The German economic context

Unlike the establishment of the professions in Scotland, England and France, the German accounting profession emerged in a very different economic context. The German economy was faced with crippling WWI reparation payments, and one of the worst inflation periods of modern times. The capacity to develop a strong and independent accounting profession in such a climate proved nearly impossible, even moreso once the National Socialists rose to power.

It is important to comment on the use of the term profession in this context. Freidson observed that the term profession can only be employed as “a historically and nationally specific ‘folk concept’” (1986, p. 351) that is tied to Anglo-European/American institutions. Sciulli agreed that:

not a single continental language...developed indigenously a term synonymous with or generally equivalent to the English term ‘profession’. Rather, the terms closest in German...refer to more general social categories: middle class (Bürgertum), economic middle class (Wirtschaftsbürgertum) and educated middle class (Bildungsbürgertum) (2005, p. 915).

As such, applying the term ‘the accounting profession’ to the German context is an awkward attempt to speak of German history in terms of Anglo semantics. The eventual term used for the German accountant – *Wirtschaftsprüfer* – derives from the term *Wirtschaftsbürgertum* and

denotes not the educated middle class, but the economic middle class. Notwithstanding the problematic usage of the term 'profession', this thesis adopts this term in discussing the German situation.

Harston outlined that:

from World War I (WWI) to the 1930s, the German government struggled with critical national economic problems such as reparation payments and *Kapitalnot* (Schmidt 1934). *Kapitalnot* refers to the shortage of capital that followed WWI as a result of reparation payments to the victorious Allies, German investment in tangible goods to fight hyperinflation, and the importation of foodstuffs and raw materials (1993, p. 1).

The German economy was in ruins and morale among the people was low. Attempts to rebuild the economy after the war amongst crippling debt payments were unsuccessful. In addition, the German government did not respond well to the tenets of Anglo-European/American economics, particularly the laissez-faire market. The government "condoned conservatism and secrecy over disclosure to promote corporate stability. Banks became so powerful that they were able to compel secrecy while simultaneously earning the trust of the public" (Harston 1993, p. 4). Banks in Germany formed the epicentre of the economy. "Banks owned the majority of corporate stock, served on corporate boards, were involved with stock market speculation and had little concern with the interests of individual minority shareholders" (Harston 1993, p. 5; see also Northrop 1938; Baker 1970). The banks controlled all financial institutions and all financial information, by being the majority owners and board members. There was no call for audits or full financial disclosure, as the banks were at the helm and they were trusted. Interestingly, the only information called for concerned reports of bank-controlled companies, so that the banks could have all information on borrowers (Markus 1997, p. 58). This ownership and management structure, held predominantly by six banks in Germany, meant that corporate management was fraught with "fraud, embezzlement and deceptive balance sheets" (Harston 1993, p. 5) and there was no effective supervision to halt unscrupulous behaviour.

Due to the World War I reparation payments, hyperinflation and bank control over the economy, the financial markets lacked a strong competitive atmosphere and audit demand was low. There was general harmony and trust among the German corporate, banking and government interests (Harston 1993, p. 2) and with so few owners, public interest in the financial workings of Germany was also low. Germany didn't adhere to the typical capitalist economic model, instead cultivating a corporative economy. The corporative economy is best described as a situation where:

the private sector produced the goods and services while the State condoned consolidation to ensure economic stability and the nation's wellbeing. Germans did not eulogize market competition, which they regarded as inefficient and destructive, engendering conflict not consensus. German nationalism created a climate conducive to cartelization... (Harston 1993, p. 9),

In addition to the corporative economy, there was also a strict demarcation between the public and private spheres of life, with the private sphere being paramount (Matz 1938, pp. 392-393). German culture, while emphasising the private sphere, did not engender the individualism of Anglo-European/American economies. Nationalism and paternalism were still important cultural tenets and impacted on the corporative economy.

The corporative economy, communitarianism, and a bank-controlled economy, situated in the losses of the war, reparation payments and hyperinflation, meant that Germany was in an unstable position politically. The lack of audit or any sort of accounting profession meant the banks could act unfettered, but their close interrelationships meant the failure of one institution could contaminate the entire economic system (Harston 1993, p. 6). The heavy reliance on foreign funding due to the *Kapitalnot* meant that when the foreign credit supply halted Germany was sent into economic collapse (Schmidt, 1934). Globally, other financial systems failed and a world economic crisis ensued, exposing many corrupt institutions. Public trust in the German banks and the general economic system was extinguished, and in 1931 a Presidential Decree

was issued amending company law to require audits (Singer 1982; Harston 1993). In addition, the auditor had to be certified, which brought a new sense of prestige, importance and professionalism to the bookkeeping trade. In contrast to the emergence of the profession in other countries, the Germany accounting profession emerged in response to the economic crisis and subsequent company law alterations (Abel 1971). It was Germany itself, rather than the collective action of bookkeepers and accountants, that established the professional accountant – the *Wirtschaftsprüfer* (Lippman & Wilson 2007, p. 291).

### 3.4.3 The German accounting profession under the National Socialists 1933-1939

One of the first indications of how life would be different under the National Socialists was the implementation of *Gleichschaltung*. Bullock describes *Gleichschaltung* as a process by which “the whole of the organised life of the nation was to be brought under the single control of the Nazi party” (1952, p. 245) and the newly created *Wirtschaftsprüfer* was no exception. The far-reaching influence of the new government was articulated by the Minister of Economy, who stated that industrial groups and businesses “should accomplish, in addition to their own affairs, all those tasks which the national government imposes upon them” (cited in Matz 1940, p. 178). What followed in the next six years, leading up to the outbreak of World War II, was a total change in German life. The National Socialist regime:

brought an abrupt about-face in political, cultural, social, economic and professional thinking in Germany. No phase of national life has remained untouched. Because the efforts and endeavours of every individual are first to serve the welfare of all the people, the education of the individual to the ideology of National Socialism is a most necessary prerequisite. While alignment to the new pattern was accomplished very quickly in many fields, the professional occupations...are following the trend. Among the professions, the accountant, whether private or public, has always occupied an honourable and important position (Matz 1938, p. 392).



The information-dense, bureaucratic, statistics- and numbers-based National Socialists quickly identified the pivotal role of the accountant in supporting the State and in ensuring efficient and legitimate means of carrying out the National Socialist's policies. Since the profession was still in its infancy, the National Socialists were able to "[reprofessionalise the profession] on the basis of Aryanisation and party-State control" (Walker 2000, p. 215). The National Socialist ideology was pervasive and permeated every aspect of the public and formerly inviolable private sphere.

Acknowledging the importance of the profession, the National Socialists wasted little time in trying to obtain full control of the Institut. The Institut in turn was quick to implement *Gleichschaltung*, perhaps in order to try and stave off any attempts for party control. At the next meeting of the Institut, held on the 3<sup>rd</sup> of April 1933, the minutes expressed support for the National Socialist government and made the announcement that "the two Jewish council members – who had been elected at the February 19 meeting- had resigned from the Council and the Controlling Body" (Markus 1997, p. 64). At the same meeting, the Council sent telegrams to American, British and Dutch accounting bodies to assure them that reports of any anti-Jewish programs were fallacious and that the German *Wirtschaftsprüfer* was to be relied upon (Markus 1997, p. 64). The anti-Jewish programs had in fact been initiated from April 1. Shortly after, the Institut decided no further individuals of Jewish origin could be admitted, excepting World War I veterans or those whose father or son was killed in action (Markus 1997). Conceivably, the profession wanted to continue to grow and develop unimpeded from National Socialist politics. In order to legitimise the profession, conformity to National Socialist ideology, including anti-Semitic ideology, was deemed necessary. By the 8<sup>th</sup> of June, a new president of the Institut was assigned - a National Socialist prior to 1933 and a *Wirtschaftsprüfer*, Otto Wanieck (Markus 1997, pp. 65-66). This was the effective 'Nazification'<sup>56</sup> of the Institut.

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<sup>56</sup> Nazification is further discussed in chapter six.

The changes in the political constellation created opportunities for the less prestigious *Der Verband Deutscher Bücherrevisoren* ('VDB') (Association of German Auditors) to return to prominence and wrest control back from the Institut (Markus 1997, p. 67). At this point, only 20 percent of VDB members were also *Wirtschaftsprüfer*, and with the introduction of strict examination conditions, it was increasingly unlikely that the VDB would be able to boast high *Wirtschaftsprüfer* numbers (Markus 1997, p. 67). The VDB elected a National Socialist president in April 1933, who in his opening address proclaimed:

since, thank God, the parliamentary state no longer exists, it goes without saying that all of the methods hitherto practised for operating our associations are completely obsolete and must take new forms and, in particular, be imbued with a new spirit. There are many who are slow to realise its significance. What purpose is there in organising our associations according to democratic voting principles when it is quite certain that, in the foreseeable future, Germany and its associations will never be governed by parliamentary or liberal means. It is the nature of National socialism that it states 'here I am and here I stay'; it is not prepared to abdicate power through the ballot box, that was 'Once upon a time'... (Markus 1997, p. 68).

With its staunch adherence to ideology, the VDB reinvigorated its attempts to control the profession, unaware that party control was closing in.

At the same time as the VDB was renewing its zeal for control of the *Wirtschaftsprüfer*, the *National Sozialistischer Deutscher Juristen* (Federation of National Socialist German lawyers) (BNSDJ) was looking to subsume all professions into a blanket profession and to promulgate both the National Socialists (and their ideology) and the welfare of the nation, specifically through Aryanisation (Markus 1997, p. 74). Despite the VDB agreeing to combine with the Institut, there had been ongoing controversy and discord between the two organisations, escalating until June 1933 when six VDB members were reprimanded for performing activities contrary to the interests of the VDB – in other words, they expressed criticisms over the new leadership of the VDB that affirmed National Socialist ideology. The state intervened and claimed that since all members of the VDB had joined the BNSDJ, the VDB was to be liquidated

(Markus 1997, p. 69). The swift absorption of the VDB into the homogeneous and largely unprofessional BNSDJ, comprised mainly of *Wirtschaftsbürgertum*, demonstrated to the Institut that its position was very precarious. In order to strengthen the position of the Institut, on the 17<sup>th</sup> of May 1933, the “Reichministries of Justice and Economics established that the Institut was the sole recognised and authoritative professional organisation for *Wirtschaftsprüfer*” (Markus 1997, p. 71). The BNSDJ, undeterred, deferred the order to higher powers and by the 30<sup>th</sup> of May 1933, the Institut was placed under the control of the BNSDJ by Hitler himself (Markus 1997, p. 74), to hasten the integration of the profession to the State (Walker 2000, p. 226). However, the prior recognition by the Reichsministry meant that the *Wirtschaftsprüfer* could remain an independent profession under the Institut, despite being officially part of the BNSDJ (Markus 1997, p. 80). A new president of the Institut, Dr Mönckmeier, (a pre-election National Socialist) was appointed. This appointment may have helped save the profession, as Dr Mönckmeier was first and foremost a party member and not a *Wirtschaftsprüfer*, and the Institut and the profession were largely left to their own devices with little State interference. Dr Mönckmeier ensured compliance with political ideology and the State was satisfied that it had control of the profession. Markus claimed that if the BNSDJ had succeeded in its aims to completely absorb the profession, “there would have been a real danger that.... the profession would have become second or third rate nationally and internationally. This would have had disastrous consequences...[particularly] during the task of rebuilding the profession after the war” (1997, p. 83).

With the political upheaval, conflict between the VDB and the Institut, and attempts to absorb the profession into the BNSDJ, the *Wirtschaftsprüfer* was floundering. Uncertainty arose as to what its role would be and under whose jurisdiction and control its membership would fall. As a consequence, “the accountancy profession in Germany was increasingly wedded to the institutions of party and State under Nazism” (Walker 2000, p. 226). From June 1934, all members of the *Wirtschaftsprüfer* had to become members of the Institut. At that time about

20 percent of *Wirtschaftsprüfer* had not joined (most likely due to ideological differences), but after this date any *Wirtschaftsprüfer* who were not members would be struck off the register (Markus 1997, p. 83). Authorisation to appoint *Wirtschaftsprüfer* was transferred to the Ministry of Economics (Markus 1997, p. 111). The profession was increasingly seen by the State as essential in carrying out their policies. The technology, rationalisation and endless figures, statistics, reports and documentation gave the party access to an efficient and bureaucratic operation that would prove invaluable during the war<sup>57</sup>. This formed part of the reason why the state fought for control of the profession.

The National Socialist Party made its presence felt early through *Gleichschaltung* and in its efforts to bring the Institut under control of the BNSDJ. The original oath of *Wirtschaftsprüfer's* – “I swear that I will fulfil the duties and obligation of a publicly commissioned accountant knowledgably and impartially” (Meisel 1992, p. 186) was replaced by:

I swear by God that I will exercise absolute obedience to the Führer and Reichs-Chancellor Adolf Hitler and that I will carry out my duties and responsibilities of a publicly appointed *Wirtschaftsprüfer* conscientiously and impartially, that I will preserve professional secrecy and that all reports requested of me will be prepared conscientiously and impartially (Markus 1997, p. 89).

The second meeting of the Institut was to be its last until after the war. The infiltration of National Socialist ideology was reflected in the appointment of the new Institut president, as well as in *Der Wirtschaftsprüfer*, the professional magazine, which regularly printed articles and announcements that were “horrible and disgusting” (Markus 1997, p. 87) in their anti-Semitism. National Socialist presence was also felt in the decrees handed down to the BNSDJ and the *Wirtschaftsprüfer*, who were forced to “educate their members to the greatest possible economy and highest achievement for the benefit of people and nation. They should direct

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<sup>57</sup> Chapter six explores how these technologies assisted in the destruction of financial *bios*.

these necessary tasks particularly in regard to improvements in technique and accounting...” (Matz 1940, p. 178). The profession had been valued so highly by the National Socialists that by mid-1940 only 10 percent of *Wirtschaftsprüfer* had been called up to the war effort (Markus 1997, p. 108). Despite the State encroaching on the private sphere “there were substantial achievements in the development of the profession” (Markus 1997, p. 101). Of greatest note was the establishment of accounting standards in 1934 (Singer 1982), imposed largely to supplement the Four-Year Plan. For a State and profession where abundant information was provided and with such meticulous care, the absence of these documents speaks volumes<sup>58</sup>.

While the German accounting profession was developed during a very turbulent time both politically and economically, its development was halted by the rise of the National Socialists, who quickly assumed control of every aspect of life. The profession had little choice in this circumstance and, for the sake of continuing to increase the prestige of the profession and to maintain some semblance of independence from the BNSDJ, it chose to strictly adhere to the anti-Semitic National Socialist ideology. This decision would ultimately lead to the implication of the accounting profession in some of the worst acts perpetrated against humanity. Lippman and Wilson conjecture that “perhaps a strong and independent German accounting profession would have positively affected accountants’ responses to the Holocaust” (2007, p. 299), but in the shadow of Nazism and its obsession with control and Aryanisation, this may not have been possible for even the most established of professions anywhere in the world. Providing the background of accounting practice and the accounting profession situated this study within ‘new’ accounting history.

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<sup>58</sup> This issue is addressed in chapter five.

### 3.5 Chapter Summary

This chapter has outlined the historical setting for this thesis in accordance with the tenets of 'new' accounting history. By discussing the political, social, cultural and economic context of Germany, the time and geographic specificity necessary to understand the case studies presented in this thesis was detailed. Insight into Germany post-World War I was offered, detailing the impacts of the aftermath of war, and the Great Depression, disillusionment of the middle-class, a weak and ineffectual government and the undercurrent of anti-Semitism. Germany under National Socialist rule with Hitler as fascist dictator was then discussed, examining the Führer myth, the policies of autarky and armament, the creation of a state of exception through the suspension of civil liberties and rights, and the persecution faced by the Jewish population. A brief timeline of events concerning Germany's involvement in World War II was also provided. The accounting profession in Germany was also considered, contrasting its development to that of other industrialised nations, detailing the differences, particularly once the national Socialists came to power. This has set the scene for the accounting practices that facilitated the losses of Jewish life as discussed in chapters six, seven and eight.

Chapter four presents the theoretical structure of this study. This structure has been developed by drawing upon the works of Michel Foucault and Giorgio Agamben. It presents an original lens from which to view State and citizen relations in Nazi Germany, as well as the role of German firms and accounting in the Holocaust. The theoretical triptych presented is used to reveal the three losses of life experienced by the Jews (financial *bios*, political *bios* and *zoē*). Chapter four also explicates the notion of thanatopolitics as enacted under the auspices of thanatopower to narrate the Holocaust through a new theoretical structure.

## Chapter Four: Theoretical Structure

Explaining how the Holocaust happened is a daunting task empirically and even more so theoretically, so much so that some have argued, in my view erroneously, that it is 'inexplicable.' The theoretical difficulty is shown by its utterly new nature, by the inability of social theory (or what passed for common sense) preceding it to provide a hint not only that it would happen but also that it was even possible.

- Daniel Goldhagen 1996, p. 5

### 4.1 Introduction

This chapter presents the theoretical structure that is used in this thesis. This structure combines ideas from Foucault on sovereign power, modern racism and biopolitics, with Agamben's work on *forms of life*, the *homo sacer*, and the *state of exception*. Also incorporated within this structure is contemporary political theory, in particular the concept of thanatopower. The synthesis of Foucault's and Agamben's ideas provides a comprehensive theoretical structure to explore the intervention of the State in the lives of the citizenry. This structure also reveals the power processes behind policy decisions concerning life and death, as aided and rationalised by technical expertise – namely accounting.

This chapter proceeds as follows. It begins with a summary of Foucault's ideas on sovereign power, modern racism, biopower and biopolitics in section 4.2. This is followed by an outline of Agamben's work on *forms of life*, *homo sacer*, the *state of exception* and reversion to sovereign power in section 4.3. The work of both theorists forms the basis of the theoretical structure informing this thesis, which provides a thanatopolitical narrative for exploring State/citizen relations. Section 4.4 outlines how the intersection of Foucault's sovereign power and biopower, as well as the implementation of Agamben's *homo sacer* and *state of exception*, renders *thanatopower* as the primary power mechanism in the modern State. Section 4.4.2 outlines Agamben's *forms of life* that led to three stages of loss for the Jewish people – loss of

financial *bios*, of political *bios* and of *zoē*. The theoretical triptych of this study is then presented in section 4.4.3, concluding with a chapter summary in section 4.5.

## 4.2 Michel Foucault

Foucault was a prominent French social philosopher, historian and political activist. He worked as a cultural diplomat, author and lecturer at several prestigious institutions, including the Collège de France (Fillingham 2007). His work has profoundly influenced the study of diverse ideas about subjectivity, power, knowledge, discourse, history, sexuality, madness, prisons, politics and many others (Horrocks & Jevtic 1999, p. 5). His primary interest was in the human condition, trying to decipher how human beings “historically became the subject and object of political, scientific, economic, philosophical, legal and social discourses and practices” (Horrocks & Jevtic 1999, p. 6). Foucault’s work on power and power relations has been utilised as a theoretical grounding by many accounting scholars (see Hoskin & Macve 1986; Miller & O’Leary 1987; Miller 1990; Rose 1991; Bhimani 1994; Carmona et al 1997; Hooper & Kearins 1997, McKinlay and Pezet 2010; Bigoni and Funnell 2015; Maran et al 2016; Mihret & Grant 2017). This study makes use of Foucault’s notion of sovereign power and its capacity to *make die* and *let live* members of the citizenry. While Foucault ultimately did not signal sovereign power as the main form of power exercised during the 20<sup>th</sup> century, his ideas are integral to the work of Giorgio Agamben and the development of thanatopolitics. Since this study is primarily concerned with Agamben’s work, it is important to understand how Foucault’s ideas have influenced him.



#### 4.2.1 Sovereign power

Despite Foucault's analysis of power he refused to give a definitive answer to the question 'what is power?' Instead, he chose to focus on the question of:

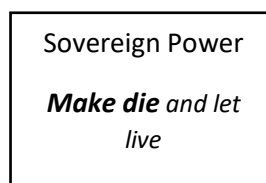
what are, in their mechanisms, effects, their relations, the various power apparatuses that operate at various levels of society, in such very different domains and with so many different extensions? (Foucault 1976, p. 13).

Foucault believed that a political power apparatus found its "historical *raison d'être* in the economy" (1976, p. 14) and that a non-economic analysis of power was fruitless. Hence, political power became entwined with economic principles, including property protection and wealth creation. Foucault granted primacy to the economic realm and, understandings of the interrelationships between power, politics and economics. This power relation defined not only the State, but also the citizens of the State, and as such an analysis of State and citizen relations must incorporate economic discourse. Foucault outlines that power in this instance or domain "was essentially [a] right of seizure...of things..." (1978, p. 136) culminating in the seizure of life. Based on and justified by economic terms, the bodies of citizens and life itself became something else for political power to capture or suppress. This is the basis of his notion of sovereign power.

Foucault designated that an extreme form of power relations, operating as a right to seizure, resides in sovereign power, or the right over life and death (Lemke 2011; Miller & O'Leary 1987). Sovereign power is an archaic form of power relations descended from "*patria potestas* that granted the father of the Roman family the right to 'dispose' of the life of his children and his slaves; just as he had given them life, so he could take it away" (Foucault 1978, p. 135). Over time, different power apparatuses evolved and the monarchy became the "living body of sovereignty" (Foucault 1976, p. 26) with the ultimate sovereign power residing in the king. Like the Roman father, the king had the right to dispose of subjects, and their right to life

belonged to him. After the French Revolution and the rise of democracy, the monarchy became largely displaced and sovereign power became newly vested in ‘the State.’

Citizens residing under State control became “present in their representative; and whatever their representative – or in other words the sovereign – does, they must do. Insofar as he represents individuals, the sovereign is an exact model of those very individuals” (Foucault 1976, p. 94). Citizens represented a multiplicity of individuals whose “wills [were] shaped into a single will or even a single body that [was] supposedly animated by a soul known as sovereignty” (Foucault 1976, p. 29), so that while sovereign power was still wielded solely by the State, its decisions over the life of individuals could be sanctioned as both the will of the sovereign and the will of the people. A State apparatus, rather than the historical individual, could now seize life as the ultimate act of power over life and death. The life of the individual could be exposed to death without resulting in death, such that the capacity for a State to dispose of individuals became equally as powerful as the capacity to empower and safeguard its citizens. This capacity of the State manifested as sovereign power can be reduced to the “right to *take life or let live*” (Foucault 1978, p. 16, see Figure 3). The right to take life can also be reduced to the right to murder or kill political adversaries or external enemies who posed a risk to the political establishment, or the State.



*Figure 3 - Sovereign power*

Despite his explorations into sovereign power, Foucault found deficits in this mode of power. Considering his earlier desire to explore the multiplicity of power relations, sovereign power failed to explain to him many of the mechanisms, effects and relations of power in the

20<sup>th</sup> century. This posed a new question for Foucault: how does a State authorise its use of power to seize life in the 20<sup>th</sup> century with the retreat of sovereign power as a mode of power? Foucault posed that:

if it is true that the power of sovereignty is increasingly on the retreat...how will the power to kill and the function of murder operate in this technology of power, which takes life as both its object and its objective? How can a power such as this kill, if it is true that its basic function is to improve life, to prolong its duration, to improve its chances, to avoid accidents, and to compensate for failings? How under these conditions, is it possible for a political power to kill, to call for deaths, to demand deaths, to give the order to kill, and to expose not only its enemies but its own citizens to the risk of death? (1976, p. 73).

For Foucault, the answer lay with the replacement of sovereign power and the active power to *make die*, with the active power to *make live* as espoused in both modern racism and biopower.

#### 4.2.2 Modern racism

Foucault suggested that a political apparatus like the State can call for the death of not only its external enemies but also of its own citizens, through the intervention of racism (1976, p. 74). Racism in the modern era became, for Foucault, increasingly directed internally toward the State's own citizens. With this redirection, distinguished from racism generally as 'modern racism', enemies became the impetus for a power mechanism that not only maintained the State's power, but endorsed the policies of the State such that the State could "scarcely function without becoming involved with racism at some point" (Foucault 1976, p. 74).

Race is a fluid term and it does not have a universal definition. What constitutes race will be impacted by a number of factors such as context, culture, individuals, State hierarchies and bureaucracy. This is exemplified in the Nazi State, where race became pseudo-scientifically extended to religious groups (such as the Jews) and other groups Hitler exposed to genocide (for example the gypsies, homosexuals and disabled). Foucault conceded that "the word 'race' itself

is not pinned to a stable biological meaning” (1976, p. 77), instead offering a more helpful explanation that is accepted for the purposes of this thesis, namely that:

we can say that two races exist when there are two groups which, although they coexist, have not become mixed because of the differences, dissymmetries, and barriers created by privileges, customs and rights, the distribution of wealth, or the way in which power is exercised (1976, p. 77).

Modern racism is how these two groups become separated (create *caesuras*) in society (Foucault 1976, p. 74). These *caesuras* enable the State to biologically control the citizenry according to the political need of the State. Modern racism sanctions the actions of the State which by any other name would be war, murder or massacre. Given these conditions, Foucault outlined that “the most murderous of States are also, of necessity, the most racist” (1976, p. 77) and uses the example of Nazism (also the case study of this thesis) to demonstrate the tight, insistent biological regulation that underpins a racist State (1976, p. 77).

Modern racism can be categorised by redirection toward the internal citizen rather than the external enemy, as racism against:

the abnormal, against individuals who, as carriers of a condition, a stigmata, or any defect whatsoever, may more or less randomly transmit to their heirs the unpredictable consequences of the evil, or rather of the non-normal, that they carry within them (Foucault, cited in Taylor 2011, p. 748).

Modern racism becomes bound to power techniques and the technology of power (Foucault 1976, p. 77) exercised by the State over its own population, as opposed to racism that was exercised on external *others*. Racism can easily be transferred to internal racism as the power techniques and technologies of power are at the behest of the State. Internal racism, as a form of modern racism, “is concerned with race in so far as it is a racism that seeks to protect ‘the race’, even in cases where those it needs to protect itself against are its own deviant members”

(Taylor 2011, p. 749). Internal racism allows biological policies to infiltrate the lives of citizens such that the State begins to endorse/promote the wellbeing of one group of its own citizens while not affording the same protection to those on the other side of the *caesura*. Using the Nazi State as an example, Germany sought to re-establish the Aryan ideal for a unified German State. All citizens would conform to the State's notion of Germanic heritage based mainly on physical attributes and religious foundations. The State separated the Jewish population in particular, with an active and aggressive campaign of racist propaganda and legislation, in its attempt to remove Jewish influence from Germany. This policy had the corollary of promoting the Aryan ideal and endorsing the citizens who possessed the correct biological heritage. The result was internal biological warfare, justified and carried out by the State for the good of the State and certain citizens.

The Nazi State integrated Social Darwinism with nationalist ideology to devise an overarching biological policy to ensure the preservation of the racial character of the German people (Lemke 2011, pp. 11-13). The State no longer had the single imperative of protecting the German people from external adversaries, but their ideology also incorporated the idea that "we have to defend society against all biological threats posed by the other race, the subrace..." (Foucault 1976, p. 61); or, in other words, some must be allowed to die so that others may live. Foucault believed that racism formed the "condition for the acceptability of putting to death" (Foucault cited in Mbembe 2003, p. 17) where it was put to citizens that in order for *you* to live, *he/she* must die. Further, as suggested by Canetti "each enemy killed makes the survivor feel more secure" (1984, p. 74). This preservation of race was the condition for biological policy over life and death. There became a natural hierarchy of people according to race, based on inherited biological qualities, that served to justify the unequal treatment of individuals (Lemke 2011, p. 11). Where the sub-race was able to contaminate the pure blood of the Aryans, the State was authorised to contain that contamination, by whatever means necessary, as they represented a biological danger to the superior race (Milchman & Rosenberg 1996, p. 109). The Nazi State

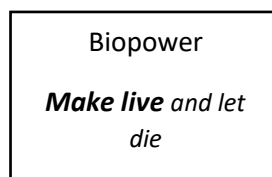
imposed war on the 'enemy' race, despite the legitimacy of these enemies as citizens of Germany, by superimposing themes of natural selection to wipe out their perceived inferior race and to regenerate the superior race.

#### 4.2.3 Biopower

The policies of the Nazi State were described by Foucault as:

the more inferior species die out, the more abnormal individuals are eliminated, the fewer degenerates there will be in the species as a whole, and the more I – as species rather than individual – can live, the stronger I will be, the more vigorous I will be. I will be able to proliferate. The fact that the others die does not mean simply that I live in the sense that his death guarantees my safety; the death of the other, the death of the base race, of the inferior race (or the degenerate, or the abnormal) is something that will make life in general healthier: healthier and purer (1976, p. 75).

This was the foundation of Foucault's notion of biopower, which can be reduced to a State policy to *make live or let die* (see Figure 4).



*Figure 4 - Biopower*

Hence, Foucault sees biopower as the authority for State-sanctioned violence upon citizens in the 20<sup>th</sup> century, rather than the historically pervasive sovereign power. Racism serves two important functions for the exercise of biopower; the first is the creation of fissures or *caesuras* between groups in society, and the second is the capacity to demonstrate how previously harmonious individuals can be thrust into a dynamic relationship where the life of one person becomes dependent on the death of the other (Lemke 2011, p. 42). The latter is reinforced by

Canetti's (1984) notion that more will be allowed to live by the fact that others are dying. This presents a new form of race discourse to be utilised as a weapon by the State, and includes notions of human physiology, survival of the fittest and degeneration (Taylor 2011, p. 752) of a citizenry previously unaware of this biological 'threat'. The politics of race become linked to the politics of death (Mbembe 2003, p. 17) where the State is empowered to make decisions over the life and death of its citizens. Sovereign power *takes* life and *lets* live, while biopower fosters life while at the same time disallows it to the point of death (Lemke 2011, p. 36). With the latter, the State takes a more active, positive role by using its power to promote, endorse and protect the lives of certain citizens. Sovereign power, which can be described as a 'negative' power to *make die*, was replaced by the 'positive' power of biopower to instead actively *make live* and to regenerate the desirable biological race envisioned by the State.

This new form of politics saw "biology drawn into the domain of power and knowledge" (Marks 2006, p. 333) enabling the State to declare war no longer in the name of the sovereign against foreign, external threats, but instead on internal biological threats with war "waged on the behalf of the existence of everyone; entire populations are mobilised for the purpose of wholesale slaughter in the name of life necessity" (Foucault 1978, p. 137). Society could become eugenically ordered and accompanied by "the oneiric exaltation of a superior blood" (Foucault 1978, p. 150) so that sovereign power became increasingly shrouded by a new focus on the biological qualities of the population (Marks 2006, p. 333). The death of the individual, as manifested in sovereign power, was now based on "the reverse of the right of the social body to ensure, maintain, or develop its life" (Foucault 1978, p. 136). Power became less about the "the right to take life, and increasingly the right to intervene to *make live*" (Foucault 1976, p. 68). For Foucault, sovereign power definitively lost its primacy as the State's source of power with the advent of Nazism (Milchman & Rosenberg 1996, p. 105) and a power shift:

from a negative power to episodically punish, and to take life, exercised by the sovereign, to a positive power to administer, manage and regulate the intimate details of life – and death- of

whole populations, in the form of technologies of domination, exercised by a multitude of governmental institutions (Milchman & Rosenberg 1996, p. 103).

The retreat of sovereign power and the advance of biopower gives new insight into 20<sup>th</sup> century conflict and, while not every State is marked equally by racism, the modern State, the socialist State, the capitalist State and of course the dictatorial State, have to differing extents implemented the biological into policy. The power to “qualify, measure, appraise and hierarchise, rather than display itself in its murderous splendour” (Foucault 1978, p. 144) has the potential to expose whole populations to death where the subsistence of a portion of that population depends on death, and some may “be allowed to die so that others may live” (Montag 2013, p. 207). Biopower, for Foucault, supersedes sovereign power as the power model for the modern age and, with this, the 20<sup>th</sup> century sees the birth of biopolitics.

#### 4.2.4 Biopolitics

With the transformation of power that occurred at the beginning of the 20<sup>th</sup> century, the Swedish political scientist Rudolf Kjellén was the first to employ the concept of biopolitics, or ‘geopolitics’ as he termed it (Lemke 2011, p. 9). In his book *The State as a Living Form* (1916), Kjellén outlined his ideas that translated to the German *geopolitik*, including racism, State enforced military and bureaucratic control of citizens and State integration into every aspect of life. His ideas coincided at a time when sovereign power:

found itself unable to govern the economic and political body of a society that was undergoing both a demographic explosion and industrialisation. So much so that far too many things were escaping the old mechanism of the power of sovereignty, both at the top and at the bottom, both at the level of detail and at the mass level (Foucault 1976, p. 249).



The advent of industrialisation and vast technological improvements at the beginning of the 20<sup>th</sup> century meant that the State had “[transformed] its core, in that it reformulated concepts of political sovereignty and subjugated them to new forms of political knowledge” (Lemke 2011, p. 33). These new forms of knowledge refer to “a shift from a political-military discourse into a racist-biological one” (Lemke 2011, p. 40). Kjellén’s notion of biopolitics was adopted by Foucault, who abandoned the long-held notion of sovereign power, and instead espoused biopower and a new biopolitical regime, where the State endorsed certain members of the citizenry by promoting their lives and neglecting those without the necessary biological traits.

Lemke refuted this thesis and states that the sovereign right of death is not subsumed by the biopolitical right of life but is instead:

subordinated to a power that seeks to maintain, develop, and manage life...What is at stake is no longer the juridical existence of a sovereign but rather the biological survival of a population. The paradox of biopolitics is that to the same degree to which the security and the amelioration of life became an issue for political authorities, life is threatened by hitherto unimaginable technical and political means of destruction (2011, p. 39).

As Foucault explained, “in the biopower system...killing or the imperative to kill is acceptable only if it results not in a victory over political adversaries, but in the elimination of the biological threat to and the improvement of the species or race” (1976, p. 256). Foucault goes on to describe the crux of biopolitics versus sovereignty, where killing is not so much murder as sovereign power allowed, but rather “every form of indirect murder: the fact of exposing someone to death, increasing the risk of death for some people, or, quite simply, political death, expulsion, rejection and so on” (1976, p. 256). Passive indirect murder and active promotion of life becomes encompassed by the biopower maxim of *make live and let die*. State politics, as a result, no longer exercises the sovereign right to kill in an episodic, individual close-at-hand manner, but in the “fostering and direction – the *government* – of life” (Marks 2006, p. 333).

Thus biopolitics is “inherently paradoxical, in that its ambition to ‘*make live,*’ to foster, augment, and optimize life, remains intertwined with its apparent opposite, the negative power of *exclusion* and annihilation” (Prozorov 2013, p. 191). The ability for the State to wield biopower saw biological existence reflected in political existence and “the fact of living was no longer an inaccessible substrate that only emerged from time to time, amid the randomness of death...” (Foucault 1978, p. 142). Now the State could control life, and, through life, also death.

Once the State has assumed biopower, life becomes politicised on a much larger scale than was the case with sovereign power, particularly with the advent of industrialisation and its technological advances. Biopower can become excessive when the State not only tries to manage life, but also to proliferate it and endorse those who are deemed biologically acceptable. This creates a subsection of citizenry who are deemed biologically unacceptable. At this point, Foucault argued the State ‘kills’ in its indirect way, or *lets die*, those it does not wish to promote into the desirable populace, and consequently “power no longer recognises death...power literally ignores death” (1976, p. 248). Ignoring death can create superficial barriers between State policy and action, particularly when action is bureaucratically dealt with at a distance, as with accounting. Genel explained, “the object of biopolitics is the population” (2006, p. 46) not individuals, and population groupings are formed under modern racism. Lemke outlined that “the objects of biopolitics are not singular human beings but their biological features measured and aggregated on the level of populations” (2011, pp. 4-5). Foucault concurred by stating “biopolitics deals with the populations, with the population as political problem...as a biological problem and as power’s problem” (1976, p. 245). In other words, the State does not modify individuals, but instead intervenes at the level of their generality, as a population biologically derived (Foucault 1976, p. 26). The implementation of biopower had enormous effects on humanity in the twentieth century.

The emergence of biopolitics at the beginning of the 20<sup>th</sup> century has meant that the very idea of conflict was altered, from that between sovereign States, to conflict within the State and between citizens on a biological level. “Biopolitical conflicts have become increasingly important since World War II...Alongside the struggles against political, social, or religious forms of domination and economic exploitation, a new field of conflicts emerged: struggles against forms of subjectivation” (Lemke 2011, p. 51), particularly evident within Nazi Germany. With Foucault’s work incomplete due to his untimely death and the continued biopolitical conflict in contemporary society, subsequent research diverged into different theories (see Campbell & Esposito 2006). However, this research, of necessity, began with the Holocaust, the ultimate biopolitical State that saw “a culmination of the techniques of domination [and] the objectification of humans” (Milchman & Rosenberg 1996, p. 102). This State was a place where death was ‘manufactured’, forming a symbol of industrialisation, technology and biological political imperatives. One of the emergent areas of research concerns Foucault’s question of power and how it is exercised through technology (Genel 2006, p. 48). This study takes up this line of enquiry, with particular attention to accounting as a tool used to legitimise and facilitate biopolitics. The unfinished work of Foucault is furthered by Giorgio Agamben in order to demonstrate how the machinations and paradox of a biopolitical State ultimately became thantopolitical in its rule. The flow of Foucault’s ideas that inform the theoretical structure of this thesis are presented in bold text below (see Figure 5).

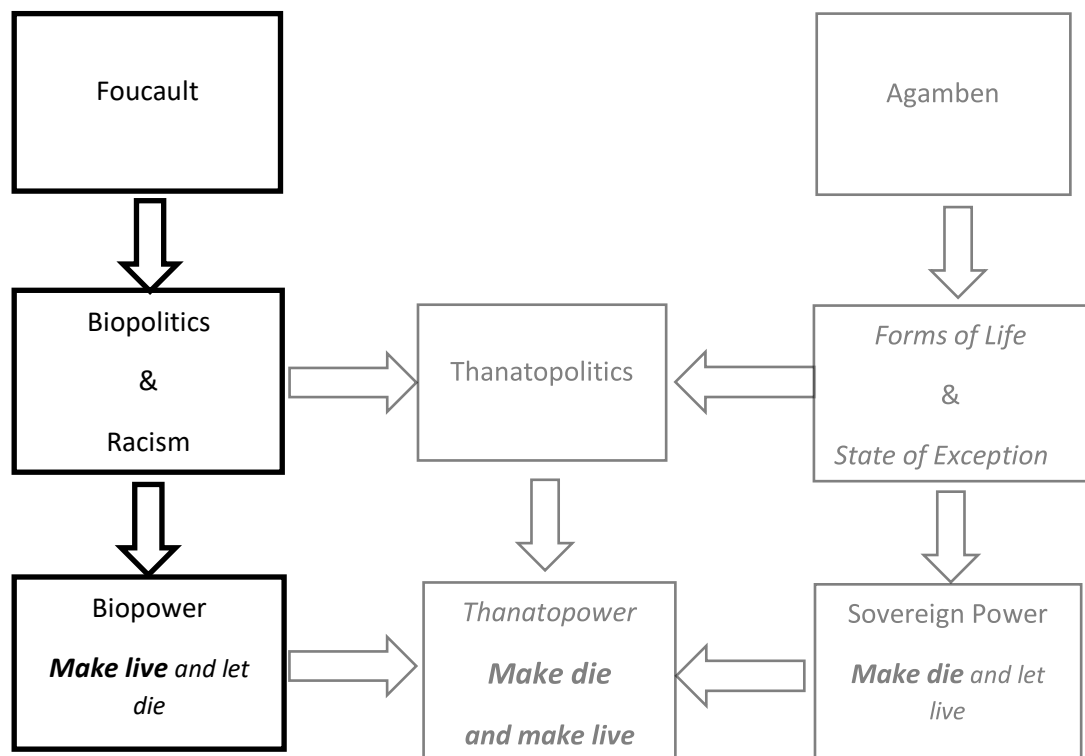


Figure 5 - Flow of Foucault's ideas in theoretical structure

### 4.3 Giorgio Agamben

Giorgio Agamben is an Italian philosopher whose primary work has been on *forms of life* (1995), *homo sacer* (1995, 2002, 2005, 2011, 2015a, 2015b), and the *state of exception* (2005). He has incorporated biopolitics into almost all of his work (see Agamben 1995, 2002, 2005, 2011, 2015b), continuing and expanding the notion from the work of Foucault (1976, 1978, 1979). His work, like that of Foucault, explores how human beings are the subject and object of politics. He also uses the paradigm of the 'camp', as a space devoid of law where the State can exercise its violence without legal recourse. The camps he has focussed on include the concentration camp (in particular Auschwitz) and the detention camp (in particular Guantánamo Bay). Agamben's work has not been used in the accounting literature, with the single exception of Huber and Scheytt (2013), who analysed the *state of exception* in the context of risk management during a

financial crisis. There remains significant scope for the application of Agamben's work in critical accounting research, as demonstrated by this thesis.

#### 4.3.1 Agamben in literature

As noted, Agamben's work has only been used once in accounting research. In their article, Huber and Scheytt (2013) formulated the idea of risk management as a permanent *state of exception*, and since then no other accounting authors have taken up Agamben's theory. However, Agamben has been used widely by scholars of law, politics, animal welfare, human rights, and studies of ethnographies. This speaks to the applicability of his theory to historical and modern phenomena. The literature can be largely grouped by reference to three recurring themes in Agamben's work: the *state of exception*, *homo sacer* and biopolitics.

Among the *state of exception* literature there have been diverse forays into Agamben's work. From a political framework authors have examined the *state of exception* within the modern state (Xenofontos 2016; McLoughlin 2016) as well as the formation of exceptional states by other countries, such as British collusion in non-State violence within Northern Ireland (McGovern 2011). Griffin (2010) also examined the *state of exception* within a good governance framework by observing EU fisheries. Within the law discipline, Fogel (2014) has likened the *state of exception* to the 'specificity of sport' rule that allows for unlawful acts on others within a sporting arena. Martins (2013) utilised the *state of exception* to question the concept of enemy presented through the 'war on drugs' discourse in the United States, and Rigi (2012) questioned the lawfulness of the *state of exception* as presented by Agamben, calling it instead a 'counterfeit of legality' utilising Putin's Russia as a case study. From an ethnographic perspective, Taylor (2009) questioned the use of the *state of exception* by democratic states considering death row inmates as an example. Finally, the subject of human rights in a *state of*

*exception* has been canvassed by several authors (Bourke 2014; Gray & Porter 2015; Cotula 2017; Pope 2017; Weller 2017).

Utilising Agamben's paradigm of *homo sacer*, Mabon (2017) used the Arab uprisings to explore sectarianism and communalism, and the possibilities for *bare life*. Within an ethnographic field Landzelius (2006) related communists in 1930s Sweden to Agamben's *bare life homo sacer* in terms of how they were spatially managed. Fiskesjö (2012) examined how the label of *homo sacer* might obscure 'the Others' including outlaws, barbarians and slaves. In terms of human rights, Vatter (2008) explored avenues for the emancipatory potential of *homo sacer*. Echoing the research of Weller (2017), Adams and Erevelles (2017) considered disability in terms of the *homo sacer* and the unfettered violence inflicted onto people within this category.

Agamben's use of biopolitics, linked to that of Foucault, has also been utilised within the broader literature. From a law perspective, Snoek and Fry (2015) examined addiction and the legal ramifications for the addicted within a biopolitical sphere. Ryszard (2014) explored South African violence within the apartheid policies of the twentieth century. Özpölat (2017) linked biopolitics to euthanasia to explore the impact of biopolitical policy on human rights and Chrulew (2012) shed light on the animal side of biopolitics, opening a space for human and nonhuman consequences within a *production of life* imperative.

As evidenced from the literature, Agamben is apt for use within legal, political and human rights spheres, demonstrating the multidisciplinary relevance of his work. Given the role that accounting plays within society and as a technique of power, this thesis demonstrates the applicability of Agamben within a critical accounting framework.

### 4.3.2 *Forms of life*

Agamben's philosophical thoughts concerning humanity and the *state of exception* are linked by the common thread of biopolitics, as adapted from Foucault. One of his contributions to the work on biopolitics concerns his ideas about *forms of life*. While Foucault directed his biopolitical gaze to whole populations, Agamben sees individuals within the population as comprising two different elements: the *zoē* and the *bios*. He outlined that:

the Greeks had no single term to express what we mean by the word "life." They used two terms that...are semantically and morphologically distinct: *zoē*, which expressed the simple fact of living common to all living beings (animals, men or gods), and *bios*, which indicated the form or way of living proper to an individual or group (1995, p. 1).

These two *forms of life* have become the dominant binary relationship in modern politics, replacing the previous 'friend and enemy' dichotomy (Lemke 2011, p. 54), and the following identifies the nuances of each.

#### 4.3.2.1 *Zoē*

*Zoē* is the life force common to all living things, both human and animal, while *bios* refers to the ability to live as an individual or group, but more specifically and most importantly, as a political member of the State (see section 4.3.2.2). It is important to note that Agamben's delineation of these *forms of life* was not meant to merely separate humans from all living things, but to partition humans into two jurisdictions. The *zoē* can also be termed '*bare life*', referring to how humanity exists at its basest level, which is merely to survive and reproduce. "For a millennium, *bare life* remained (and indeed was placed) as an object of reflection outside the sphere of the political" (Montag 2013, p. 198) but the advent of biopolitics has seen "the entry of *zoē* into the sphere of the polis – the politicization of *bare life* as such" (Agamben 1995,

p. 4). Its historical absence from the political allowed for the *let live* facet of sovereign power to operate for centuries, but the rapid development of technology and associated biological imperatives of the 20<sup>th</sup> century meant that the politicisation of *bare life* “constitutes the decisive event of modernity and signals a radical transformation of the political-philosophical categories of classic thought” (Agamben 1995, p. 4).

*Bare life*, which was conceptually non-political, the life of “fungible anonymous bodies” (Bazzicalupo 2006, p. 115), became an object of State interest. Reproduction and survival were no longer basic instincts common to all living things: they were exposed to the will of the State. The decisive event of modernity has meant that “*bare life*, formerly on the margins of political existence, [has] now increasingly [shifted] into the centre of the political domain” (Agamben 1995, p. 9). *Zoē* was transformed, such that it was not only the *bios* form of life that was included within the polis, but also the bare form of life. It should be noted however that *zoē* did not participate politically, but was instead caught within the realm of the polis, and, ironically, “no life, as exiles and bandits know well, is more ‘political’ than his” (Agamben 1995, p. 184). Ensnared in the political arena, citizens now find that their two *forms of life* can be separated and as such be dealt with separately. Not only that, but citizens can also find themselves without their *bios* if such removal is deemed necessary by the State. With only *zoē* to shield them in the political arena, whole populations can find themselves subject to the will of the State as a potentially legally sanctioned object of exile, violence or death. The next section identifies the opportunities for a State to biologically control a population through the revocation of *bios*.

#### 4.3.2.2 *Bios*

*Bios* did not just refer to a “way of living proper” (Agamben 1995, p. 1) but rather to the human ability to participate politically. This separated it from the *zoē*, as the biological life was separated from the political. Whereas all living things, including humans, possess *zoē*, the latter



also possess *bios*. The confluence of *forms of life* with biopower meant that while all human beings have the potential to possess *bios*, it was the State who decided to whom the latter may apply. *Bios* was the ability to be present in the political arena, to be human. *Bios* referred to the right to have rights (Arendt 1973, p. 91), or in other words the right to a political existence. This was not to say that *bios* protected the citizen from violence by the State, as rights were also “the instruments that the sovereign uses for imposing his own domination” (Esposito 2013, p. 363). In the modern age, Agamben argued that “man [was] an animal whose politics call[ed] his existence as a living being into question” (2005, p. 119), as paradoxically the ability to enjoy *bios* was also the ability to have it revoked. Once revoked, *bare life* was still “included in the political realm by a paradoxical *exclusion*” (Genel 2006, p. 43), whereby the State politicised *bare life* in the *state of exception* (see section 4.3.4), thus exposing *zoē* to State derived impediments to survival and reproduction.

In this sense, there was a reversion to sovereign power where “the logic of sovereignty [was] a logic of capturing life, a logic of isolating a ‘*bare life*’ as an *exception*” (Genel 2006, p. 43). Herein lay the paradox of sovereignty, a counter to Foucault’s paradox of biopolitics. That which came under sovereign dominion was included either through the bestowing of rights or included through *exclusion* in the revocation of rights. While Arendt argued that “the loss of polity...[expelled] him from humanity” (1973, p. 90) Lemke disputed this, drawing from Agamben to explain “*inclusion* in political society is only possible...through the simultaneous *exclusion* of human beings who are denied full legal status” (2011, p. 54). Thus some citizens in the biopolitical State had *zoē* and *bios*, and others singularly had *zoē*, which methodically overcame the biological *caesura* within a population and “eliminate[d] radically the people that [were] *excluded*” (Agamben 1995, p. 179).

This *exclusion* threatened all humanity because where there were people, “there [would] be a *bare life*” (Agamben 1995, p. 179). When existence was reduced to a *bare life*, “a

man [had] lost the very qualities which [made] it possible for other people to treat him as a fellow-man” (Arendt 1973, p. 93). Every right bestowed that differentiated humans from other living organisms was stripped by the State, effectively ‘killing’ without committing homicide (Agamben 1995, p. 183). The revocation of *bios* dehumanised those who possessed only *zoē*. When humans became indistinguishable from other living organisms in the eyes of the State, opportunities for genocide emerged. The ability to kill whole populations without committing homicide, coupled with technologies capable of mass murder and action at a distance yielded Arendt’s horrific and yet plausible conjecture that:

within the realm of practical political possibilities...one fine day a highly organised and mechanised humanity will conclude quite democratically – namely by majority decision - that for humanity as a whole it would be better to liquidate certain parts thereof (Arendt 1973, p. 91).

This highlights the importance of viewing biopolitics as a political imperative, with Agamben’s *forms of life* at its heart. Neither *zoē* or *bios* can be discounted in a discussion of sovereign power or biopower. Furthermore, the singularity of what I will term ‘political *bios*’ neglects the financial self, which is central to State/citizen discourse and policy. Therefore, Agamben’s ideas necessitate extension to include a financial *form of life*, or what I will term ‘financial *bios*.’

#### 4.3.2.3 *Financial bios*

Foucault understood the primacy of the economic realm, incorporating his thoughts on power within both the political and economic sphere. Agamben started from the point of law as the pre-eminent force in society, and examined the interrelationships between politics and law in deployments of power. A gap existed between the two, and this is addressed by my concept of financial *bios*, through the discursive practice of accounting.

People have financial lives (Roethlisberger & Dickson 1939; Miller & O'Leary 1987; Bhimani 1994) and the dominant mode of understanding people's financial lives is accounting. Accounting, as a translation device, ensures that citizens lives are writ in accounting discourse (Arrington 2018). Financial accounts are given between people daily, in the form of budgets for the household, value of commodities, cost of utilities etc. This often-mundane expression of people's lives can be rendered unimportant among other social, political and legal theorisations. It is therefore unsurprising that major theorists such as Agamben have been disinterested in the veiled power of accounting. Accounting operates surreptitiously, but nonetheless imparts human (re)presentation in accounting terms, as the unifying language of economics (Lavoie 1987). Accounting as the mode of understanding economic life and the 'indispensable' language in which this life is represented (Lavoie 1987, p. 602), becomes a tool (weapon) apt for use by a State in implementing its policies. Accounting is intimately linked to the exercise of State power (Fourquet 1980; Miller 1986, 1990) in that it is used as a technique by the State to operationalise its abstract political objectives (Hopwood 1984, 1986; Miller 1990). Thus, accounting intervenes into the private sphere of citizens to deliver and enforce State directives.

The rise of technologies such as accounting at the beginning of the 20<sup>th</sup> century coincided with great advancements in modern science, which:

gave us the tools that in the twentieth century made mass destruction possible. The prominent symbol of the idea of progress for humanity is the smokestack, the symbol of Auschwitz. The facilities of modern science and technology helped generate vast bureaucratic procedures that made the processing of millions for extermination into a relatively orderly routine. . . . [I]n the twentieth century the art of mass murder became the science of mass murder (Rosenberg and Marcus, cited in Milchman and Rosenberg 1992, p. 214).

Accounting formed part of the techniques required to translate abstract State ideology into destruction. Within the context of the Holocaust, accounting was a "means of expediting the annihilation of the Jews" (Funnell 1998, p. 437), dehumanising the Jews to the value of integers, represented in the public domain as numbers on a document instead of people whose lives were

being progressively discarded by the State. Accounting techniques “commodified Jews by reducing each person firstly to an anonymous, numbered, unit in a group of condemned individuals and then, at the killing centres, to either a resource of some temporary value to the German war effort or expensive debris to be disposed of as costlessly as possible” (Funnell 1998, p. 452). Such techniques and actions require critical examination in the gap between the ideas of Foucault and Agamben. A bridge between the two is formed through the concept of financial *bios*.

The inclusion of financial *bios* with the broader concept of *bios* recognises the pervasive and concealed role of accounting in facilitating State and citizen relations. The State not only intervenes in the political life of citizens (Agamben’s *bios*), but also in the financial lives of citizens. Humans can be further distanced from the other living organisms with whom they share *zoē* through the notion of financial *bios*. Humans are distinctive because they have the ability to participate politically *and* financially. The ability to earn a living, own property and other assets remains the domain of people, just as civil rights and liberties are enshrined. In this way, the inclusion of financial *bios* alongside the ideas of Foucault and Agamben not only fills the theoretical gap, it also recognises a second, core difference between humans and other organisms who share *zoē*. Financial *bios* forms the first panel of the theoretical triptych for this study, as my necessary starting point in deciphering the interrelationships between politics and law in deployments of power between the State and its citizenry.

#### 4.3.3 *Homo sacer*

This section delves deeper into Agamben’s central thesis, and the subject of his best-known works: the *homo sacer* (see Agamben 1995, 2002, 2005, 2011, 2015a, 2015b). The

paradigm of *homo sacer* is explored, as well as the paradoxical notion of the sacred that cannot be sacrificed, and the exceptional sovereign sphere into which the *homo sacer* finds itself.

The term *homo sacer* (Latin: ‘the sacred man’ or ‘the accursed man’) came from a far shadow of history, like other Agambian terms. In this instance, it was from Ancient Rome, derived from an archaic law “designating an individual who, in response to a grave trespass, [was] cast out of the city. From the moment of his ritual pronouncement as *homo sacer*, he can be killed with impunity by anyone, but cannot be employed in sacrificial rituals that require the taking of a life” (de la Durantaye 2009, p. 206). The designated *homo sacer* was thus expelled from the social and legal sphere, where he or she remained partially ungoverned by legislation – “the only law that still applies to him is the one that irrevocably casts him out of the communal sphere” (de la Durantaye 2009, p. 206). Cast out from the communal sphere, the *homo sacer* was one who has been stripped of his *bios* and reduced to *zoē*, or *bare life*. Agamben used this paradigm through several of his works, in his effort to link the *homo sacer* to the *state of exception*, the historical past and future potentialities. Agamben defined the status of *homo sacer* as having:

the particular character of the double *exclusion* into which he is taken and the violence to which he finds himself exposed. This violence – the unsanctionable killing that, in his case, anyone may commit – is classifiable neither as sacrifice nor as homicide, neither as the execution of a condemnation to death nor as sacrilege (1995, p. 82).

The legal protection from designation as *homo sacer* was human rights, however for Arendt the concept of human rights “broke down at the very moment when those who professed to believe in it were for the first time confronted with people who had indeed lost all other qualities and specific relationships – except that they were still human” (1951, p. 295). She goes on to say that humanity “found nothing sacred in the abstract nakedness of being human” (1951, p. 295). Denuded of rights, humans were reduced to *homo sacer*, and far from being sacred were instead

enmeshed within a paradigm that transformed them into something “tabooed, dangerous...” (Agamben 1995, p. 79), something to be removed from the rest of humanity.

Agamben relied on a “redefinition of the sacred” (Genel 2006, p. 51) and:

as Freud and Benveniste did before him, Agamben stresse[d] that the word *sacred* exhibits a remarkable ambiguity in its semantic history, varying from that which is treasured as most pure and precious to that which is most contemptible and must be cast out of the community so as to preserve it from contamination (de la Durantaye 2009, p. 206).

Agamben drew on Pompeious Festus<sup>59</sup> in his treatise *On the Significance of Worth* to explain that “if someone kills the one who is sacred according to the plebiscite, it will not be considered homicide. This is why it is customary for a bad or impure man to be called sacred” (1995, p. 71). The contradictory nature of the ‘sacred’ man has confused critics who struggle to look beyond the semantics. Considering the Latin meaning of *sacer* as described at the start of this section, it can mean ‘sacred’ or ‘accursed.’ The term that *sacer* is derived from, *sacratio*, arised out of “conjunction of two traits: the unpunishability of killing and the *exclusion* from sacrifice” (Agamben 1995, p. 81).

While the term *homo sacer* is used in this thesis to categorise the excluded (those denuded of political and financial *bios*), Agamben’s use of the term can be called into question, particularly in the context of Nazi Germany. For Aristotle, people were living animals “with the additional capacity for political existence” (cited in Agamben 1995, p. 7). For Agamben, the animal component of life (*bare life*) was politicised life from the outset, and humans were designated *homo sacer* (1995, p. 7). For the Nazis, the Jews had an animal character with no political rights as citizens. Hitler (1925) referred to them as ‘lice’, ‘parasites’, and ‘noxious bacillus’, and so for Hitler the Jews were always *bare life*, they did not even enjoy the status of

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<sup>59</sup> Pompeious Festus was a Roman grammarian who in the 2<sup>nd</sup> century AD released a treatise to shed light on the language, mythology and antiquities of Ancient Rome.

*homo sacer*. The question of political life was irrelevant in Nazi Germany. If life has death inscribed into it from the beginning (like other animals), people can die without *bios*. If this was the case, then the *homo sacer* was not the paradigm of Nazi Germany as suggested by Agamben. If humans can be separated from *bios* (and so destined to die) while others are born simply to die (as *bare life*), where does the status of *homo sacer* sit? If Hitler believed, as was evident, that all Jews had no political *bios* and were *zoē*, why go through the legislative and executive arms of government to degrade them? Why not kill them as *bare life*?

The answer is that the Jews did have rights as citizens when he came to power. He recognised that actions through legitimate means had a greater force of law (Agamben 2005) which in turn garnered greater acceptability among other citizens. While the Jews were always *bare life* for Hitler, they were citizens for all intents and purposes under Agamben's *forms of life*. Hitler designated the Jews as a form of pseudo-*homo sacer* through the progressive removal of rights, via the loss of financial and political *bios* in order to bring them to their rightful place: *bare life*. Citizens and non-citizens in Nazi Germany could occupy various *forms of life*, from *bios* to *homo sacer*, but only the Jew was killed as *bare life*. It was a worthless, meaningless death to the State, and a worthless, meaningless life that must be removed from the general population into the exile of the modern political state – the *state of exception*.

#### 4.3.4 *State of Exception*

Once the division of citizenry on a biological level created a *caesura*, and *bios* was stripped from some, the State had to do something with the 'contaminated' *zoē* (Agamben 2005). The State physically removed the different biological populations so they could not infect the others with their sub-race (Agamben 2005). In other words, once the *zoē* and *bios* were distinguished, those with only *zoē* could no longer live amongst the superior race (those with

both *zoē* and *bios*). The State developed mechanisms to contain, control and regulate these populations while keeping them separate from the rest of society (Giorgi & Pinkus 2006, p. 103). The best way to monitor, contain and control those with only *bare life* was to intern them within a *state of exception*, a separate arena operating on the fringes of the State. The *state of exception* provided a space for what would otherwise be an illegal detainment of citizens, legitimised by claiming a crisis.

Agamben's work on the *state of exception* was influenced by the early writings of Carl Schmitt (1921, 1922, 1928, 1931) and Walter Benjamin (1921, 1928, 1931, 1934, 1942). His book *State of Exception* (2005), was partially a critique on the work of Schmitt and Benjamin, and his subsequent development of ideas about the *state of exception* in modernity. Agamben defined the *state of exception* as "the extension of the military authority's wartime powers into the civil sphere, and...a suspension of the constitution (or of those constitutional norms that protect individual liberties)" (2005, p. 5). It is "an ambiguous, uncertain, borderline fringe, at the intersection of the legal and the political" (Fontana 1999, p. 16), or, in other words, a "legal form of what cannot have legal form" (Agamben 2005, p. 1). The *state of exception* becomes activated when a crisis or emergency occurs that threatens the life of the nation and as a concept is both historically endorsed by constitutions and international human rights treaties (Humphreys 2006). The *state of exception* has been mobilised both historically and globally by a number of States. The *state of exception* is known as *Ausnahmezustand* (or *Notstand*) in Germany, the *état de siege fictive* (or state of siege) in France, the state of emergency, state of necessity, martial law, or the paradoxical Temporary Centres of Permanence (CPTs) dotting Europe (Agamben 2005; Humphreys 2006; Giorgi & Pinkus 2006). Historically, the *state of exception* has been activated in varying instances of emergency including the:

financial crises in Germany in 1923 and France in 1925, 1935 and 1937, to union strikes and social upheaval in Britain in 1920, earthquakes in Italy in 1908, and, perhaps most strikingly, by



Presidents Lincoln – to provide a basis for the abolition of slavery in 1862 – and Roosevelt, to ensure passage of the New Deal in 1933 (Humphreys 2006, pp. 679-680).

Hence the *state of exception* can also be declared in a positive way for states to deal with a crisis and restore the three branches of State power<sup>60</sup> and citizen rights, once the crisis has passed, with perhaps greater political freedom and liberties for the citizenry. The constitutions of “at least 147 countries...by 1996” (Humphreys 2006, p. 683) contained provisions allowing for the declaration and operation of the *state of exception*, reaching near worldwide deployment. Agamben argued that this has meant that “the normative aspect of law can thus be obliterated and contradicted with impunity by a governmental violence that - while ignoring international law externally and producing a permanent *state of exception* internally – nevertheless still claims to be applying the law” (2005, pp. 86-87). It creates a space devoid of law and of the ability to challenge its operation. It creates a space to contain the *homo sacer* and *zoē* and potentially expose it to unfettered State violence while still being a legally protected arena. The State is then poised, by its declaration of a crisis, to demarcate the norm through its separation of the *zoē* and *bios*. The result is contradictory, in that the *state of exception* “claims to maintain the law in its very suspension, but produces instead a violence that has shed every relation to law” (Agamben 2005, p. 26).

The origin of power that can rationalise and operate the *state of exception* is embedded within the *make die, let live* maxim of sovereign power. Sovereign power feeds off a symbiotic relationship with the *state of exception*, wherein:

what establishes sovereign power is also that which keeps it operational, that is to say the violence of the processes by which *bare life* is *excluded*, and, therefore, the production of a biopolitical body on which sovereign power can exercise itself. Power clandestinely exercises itself through the *exception* and perpetuates its force through the repetition of the gesture of *exception*. It has two sides: the hidden side of the *exception*, which keeps the visible side, that of

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<sup>60</sup> Namely the executive, judiciary and legislative powers work in tandem rather than executive power dominating other forms of decision making at State level.

the law, operational. A second dimension of the *exception*, however, soon appears: the *state of exception* is precisely what is going to generate a certain visibility, to make what is hidden emerge (Genel 2006, p. 52)<sup>61</sup>.

What is made visible is the State *letting live* the *bios* portion of the citizenry, and hidden is the civil war waged on *zoē*. Thus one of the central tenets of sovereign power is not only *make die, let live*, but to decide on the *state of exception* and the categorisation of *bios* and *zoē* (Schmitt 1922, see Figure 6). The State is furnished with the ability to remove *bios*, perform violence and kill citizens through lawful means – lawful “through its very *exclusion*” (Agamben 2005, p. 54). Legislated provisions to suspend (or terminate) human rights absolutely expose the *homo sacer* to all the machinations and inclinations of sovereign power. Over the course of the last century, “legal civil war” (Schnur 1983) increasingly entered the political sphere, enabling the *state of exception* to be an accepted mode of operation in a crisis. Agamben used the Nazi State as an example, claiming that:

no sooner did Hitler take power (or, as we should perhaps more accurately say, no sooner was power given to him) than, on February 28, he proclaimed the Decree for the Protection of the People and the State, which suspended the articles of the Weimar Constitution concerning personal liberties. The decree was never repealed, so that from a juridical standpoint the entire Third Reich can be considered a *state of exception* that lasted twelve years. [This created] by means of the *state of exception*...a legal civil war that allowed for the physical elimination not only of political adversaries but of entire categories of citizens who for some reason cannot be integrated into the political system. Since then, the voluntary creation of a permanent state of emergency (though perhaps not declared in the technical sense) has become one of the essential practices of contemporary States, including so-called democratic ones (2005, p. 2).

Erlenbusch (2013) explained that “since all politics is exceptional and, hence, the *exception* is not so much an *exception* as the becoming obvious of a usually hidden mechanism of politics, [Agamben theorises that] ‘we must expect not only new camps but also always and more lunatic

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<sup>61</sup> While the *states of exception* enacted for the purpose of good were cited earlier in the section, this statement should be considered with the following in mind: despite the intentions and outcomes of the formation of a *state of exception*, a form of violence is rendered through power inflicted on *some* members of the citizenry who will be negatively affected by this act of the State.

regulative definitions of the inscription of life” (2013, pp. 49-50). Once the *state of exception* is in operation and the State wields its unencumbered power, why would the State then yield

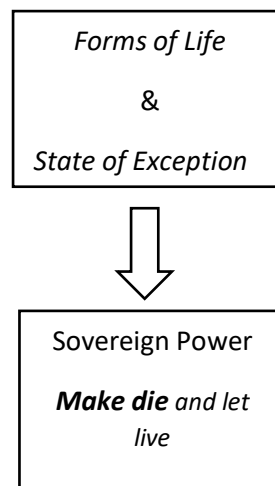


Figure 6 - Tenets of sovereign power

power and return to peacetime laws? Under such logic, the state of emergency decree remains, so that the *state of exception* is no longer exceptional, but a permanent feature of the State.

Several authors have argued that, over time, the *state of exception* inevitably becomes the rule (Benjamin 1942; Agamben 2005; Genel 2006; Humphreys 2006; Huber & Scheytt 2013), transforming from an exceptional measure to a technique of government (Agamben 2005, pp. 6-7). The *state of exception* becomes the norm and the temporary power of the State over citizens becomes a perpetual exercise of violence over the *homo sacer*. This places the *homo sacer* in a form of purgatory, with rights suspended and without possibility of leaving the *state of exception* unless the State permits<sup>62</sup>. The financial and political *bios* is also left exposed and in a precarious position where rights can be suspended at any time, leaving the potential for a citizen to be reclassified as *zoē*. The *state of exception* is sustained under the adage that “no sacrifice is too great for our democracy, least of all the...sacrifice of democracy itself” (Agamben 2005, p.9).

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<sup>62</sup> This is evident in the Australian detention camps located on Manus Island and Nauru (Amnesty International 2018; Doherty 2018).

The *state of exception* has become a “dominant paradigm of government in contemporary politics” (Agamben 2005, p. 2), leaving no global citizens immune to the dangerous possibilities for humanity. The *state of exception* provided a platform for Agamben to explore the space designated to the *homo sacer*, namely ‘the camp’. This could be the concentration camp (such as Auschwitz), the detention camp (such as Guantanamo Bay) or the refugee camp (such as the CPTs in Europe). The ‘Others’ (*zoē*) are kept outside of the State both politically and physically, in order to isolate those with *bios*. The *zoē* remains indefinitely under unfettered State control, in a situation of permanent limbo, as the *state of exception* becomes a regular and permanent feature of the political machinations of the State.

#### 4.3.5 Sovereign power

Agamben reverted to the Foucauldian notion of sovereign power to demonstrate the operation of *zoē* and *bios* in modern politics, in particular within the *state of exception*. Agamben addressed the shift from sovereign power to biopower, but emphasised that one does not supplant the other. He suggested that the powers can overlap and shift according to the political will, so that rather than the elimination of sovereign power, there is an emergence of a new power with even greater possibilities for control.

A relic of sovereign power that still operated in Foucault’s biopolitical age was the paradox of sovereignty, where “the sovereign is, at the same time, outside and inside the juridical order...I, the sovereign, who am outside the law, declare that there is nothing outside the law” (Agamben 1995, p. 15). It was this concept that allowed for the creation of the *state of exception* and for the sovereign to control those who have been *excluded* and *included*, the law, those with *bios* and those without. That which was outside the law could be dealt with unlawfully, so that the sovereign set “the threshold on which violence passes over into law and law passes over into violence” (Agamben 1995, p. 32). It became apparent that without some

remnant of sovereign power, the State would be unable to move towards biopower and biopolitical imperatives, and reverse the power into *make live and let die*. Agamben (1995) surmised that “a political theory freed from the aporias of sovereignty [was] unthinkable” (p.44), thus demanding the reconsideration of Foucault’s deviation from sovereign power to biopower.

Recognising the continued existence of sovereign power, Agamben’s extended *forms of life* must now be drawn on to reassess the power of the State. The tether between this modern form of sovereign power and the archaic form was the “concealed relation between power and life” (Agamben 1995, p. 19), where *bare life* entered, became politicised and was subsequently under the control of the State. In other words, *bare life* was contained under sovereign power and “political life does not replace or even elevate [*bare*] life; rather, sovereignty creates the idea of natural life in order to subject it to the law” (Erlenbusch 2013, p. 45). What once was sacred became politically vulnerable. This was not necessarily a new phenomenon. State requisitioning of property, assets and wealth to assist with political aims such as war, actively force the financial death of citizens. Slavery, for example, involved “a total seizure of life and a political death” (Taylor 2011, pp.752-753), another exercise of sovereign power involving State domination and *exclusion* from political participation (Mbembe 2003). State ideology was instrumentalised by “technologies of government [to] materialise and visualise processes and activities to be regulated” (Funnell 1998, p. 439) by accounting processes. During the Holocaust, accounting was part of the State and bureaucratic structure “designed to maximise the outcomes of policies contrived to deliver efficiency and effectiveness in the service of the State” (Funnell 1998, p. 439), where economic rationality was the only grounds on which to evaluate actions. Accounting practice facilitated acts that tracked and accounted for the deaths of 6 million people (Funnell 1998).

Agamben outlined that modern forms of sovereign power have the goal of producing a biopolitical body (1995, p. 6), or, in other words, of demarcating those with *bios* and those

without, in order to exert sovereign power over the *bare life* of those who exist outside of the political arena. Essentially, *bare life* existed outside of the rights of human beings, but within the control of the lawless State. As Agamben explained:

declarations of rights represent the originary figure of the inscription of natural life in the juridico-political order of the nation-State. The same *bare life* that in the *ancien regime* was politically neutral and belonged to God as creaturely life and in the classical world was (at least apparently) clearly distinguished as *zoē* from political life (*bios*) now fully enters into the structure of the State and even becomes the earthly foundation of the State's legitimacy and sovereignty (1995, p. 127).

This indicated that, as a precursor to the emergence of biopower, the ultimate goal of sovereign power was to produce *bare life* which was susceptible to State control and without protective legislation or conferred rights. Once *bare life* was produced and Foucault's notions of modern racism were implemented, sovereign power was able to transform, at least partially, into Foucault's notion of biopower (see Figure 7). A political body became a biological body and birth, death, health and illness became State regulated and controlled (Agamben 2002, p. 84). While sovereign power remained in the background, it was nevertheless essential to the exercise of biopower with its goal of "the material destruction of human bodies and populations" (Mbembe 2003, p. 14).

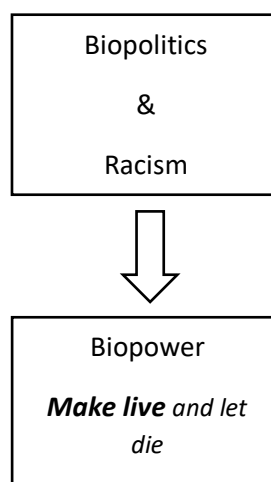


Figure 7 - Foucault's notions of biopower and racism as the basis for the operation of biopower

#### 4.4 Thanatopolitics

One of the differences between Foucault's and Agamben's notions of biopolitics is the presence of sovereign power, which was replaced by biopower for Foucault and subsumed within biopower for Agamben. Campbell believes passivity of the sovereign in the biological age to be a myth, as "one cannot manage life without managing death" (2011, p. 58) and the point at which life becomes included "in the mechanisms and calculations of State power" (Agamben 1995, p. 3) is the point at which politics became biopolitics. This rupture in the political landscape did not signal the end of one form of power and the beginning of another, but rather the combination of two forms of power that had yet to reach its full potential as thanatopower. The exercise of sovereign power focussed on the creation of *bare life* (*zoē*) while biopower focussed on sustaining *bios*. For Agamben this has meant that:

the Foucauldian thesis will then have to be corrected or, at least, completed, in the sense that what characterises modern politics is not so much the *inclusion* of *zoē* in the polis – which is, in itself, absolutely ancient – nor simply the fact that life as such becomes a principal object of the projections and calculations of State power. Instead the decisive fact is that, together with the process by which the *exception* everywhere becomes the rule, the realm of *bare life* – which is originally situated at the margins of the political order – gradually begins to coincide with the political realm, and *exclusion* and *inclusion*, outside and inside, *bios* and *zoē*, right and fact, enter a zone of irreducible indistinction...the *bare life*...becomes both subject and object of the conflicts of the political order, the one place for both the organisation of State power and emancipation from it (1995, p. 9).

While power is transformed, the edges of the political arena become blurred, where what was once in the margins moves towards the centre of political action. Agamben focussed less on the notions of what form of power was embraced by political will, and looked instead at "the way in which power is exercised or manifested" (Genel 2006, p. 44). For Agamben, biopolitics was less characterised by biopower than by the emergence of life into political calculations and the new maxim of *make live, let die*. Only by tethering sovereign power and biopower did Agamben

begin his assertions on thanatopolitics in terms of the *forms of life*, in particular *zoē*. The politicisation of life has enabled State encroachment into the private sphere, and with it similar intrusions by other abstract practices, such as “the extension of functional reasoning from the factory, where it assists management in the transformation of inputs into desired outputs, to the processing of human beings and their property” (Funnell 1998, p. 451). This corruption of rationality into ideological forms of functional reasoning (Rosenberg 1983) assisted the State with its thanatopolitical goal through its use of accounting as a technology of calculation.

Agamben explained that one of the essential characteristics of thanatopolitics “is its constant need to redefine the threshold in life that distinguishes and separates what is inside from what is outside” (1995, p. 131). What is outside, or what is no longer qualified life but merely *bare life*, is determined for both Foucault and Agamben by modern racism. Racism that essentially goes beyond race to “[create] *caesuras* between the people and the population, [with] people emerging through the *exclusion* of a population that is a biological danger for [the superior race]” (Genel 2006, p. 56). Once divided, the State can place those stateless people who, in the modern age are the savages of the colonial world, outside the political order by the removal of their *bios*. The stateless continue to be governed and regulated by the State but without the legal sanctions given to those with *bios*. They are both inside and outside, within but without, and the *state of exception* prevails. This relation is presented by visually demonstrating the conflation of Foucault and Agamben’s ideas (see Figure 8).

The Holocaust in Nazi Germany reflected the transformation of sovereign power and biopower to a third form of power, which sees sovereign power and biopower coalesce into thanatopower. From this point the State is acknowledged as taking a more decisive, deliberate and homicidal role in the life and death of the citizenry.



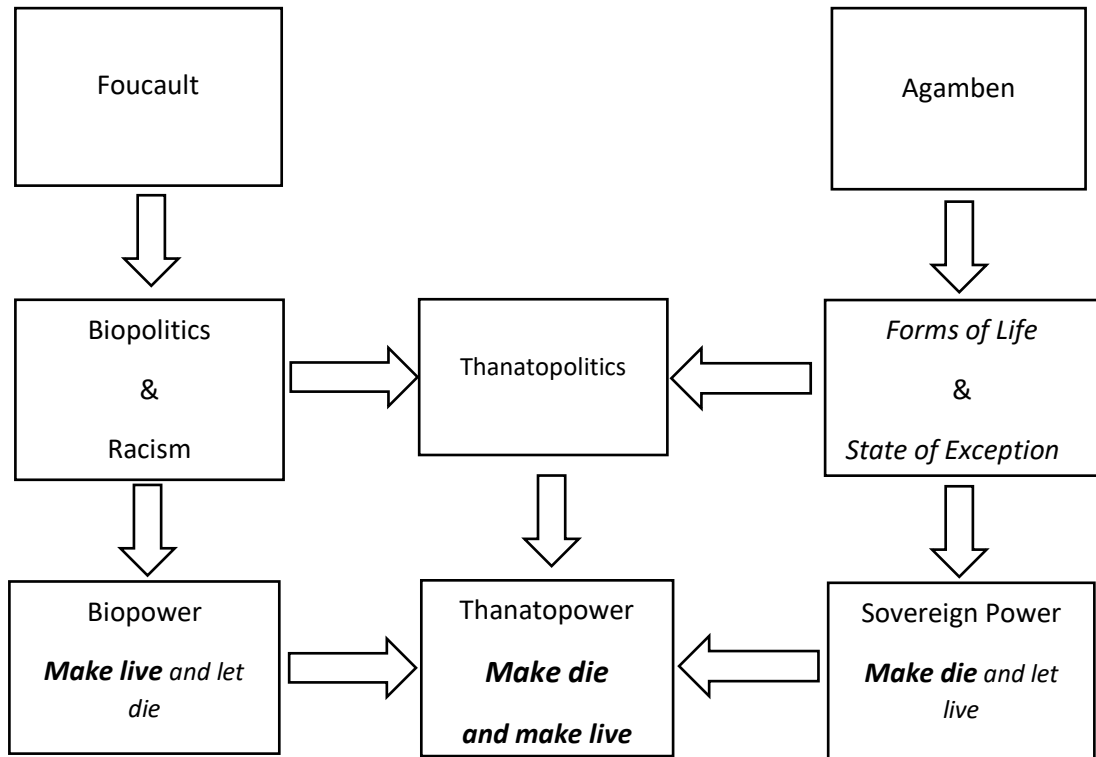


Figure 8 - The confluence of Foucault's and Agamben's work that feeds into the concept of thanatopolitics

#### 4.4.1 Thanatopower: Intersection of sovereign power and biopower

One of the weaknesses in Agamben's thesis is his attempt to subsume sovereign power into biopower, as if both are operating independently. Genel also questioned Agamben, asking:

is it therefore legitimate or even pertinent for Agamben, who locates the concept of biopower at the very nucleus of the concept of sovereignty, to transpose biopower into sovereignty's originary architecture? (2006, p. 44)

Foucault's concept of biopower is inadequate for describing the current political climate as well as that of the Nazi's due to the assumed passive policies of the State. Thanatopower, with its dual emphasis on *make live* and *make die*, offers an alternative framework to examine the exercise of 'active' power. Instead of trying to make biopower and sovereign power compatible, this thesis proposes that sovereign power and biopower operate in their radical

capacities to *make live* and to *make die*, with the aim of arriving at the desired biological features of the citizenry in a relatively short period of time (see Figure 9).

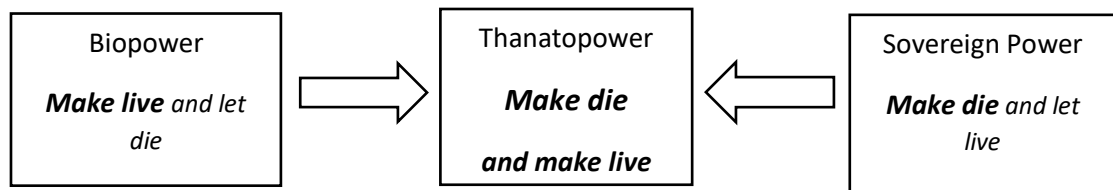


Figure 9 - Thanatopower as the radical deployment of make live from biopower and make die from sovereign power.

With the politicisation of *bare life*, contemporary politics is primed to assume thanatopolitics. The *caesura* between *bare life* and qualified life (*bios*), preserved and pursued by the State, structures “contemporary politics under the shadow of modern thanatopolitics” (Campbell 2011, p. 40). Campbell claims that even in liberal democracies the individual is subjected to thanatopolitical imperatives (2011, p. 23). The danger for the individual remains the same under biopower and thanatopower. The danger of being categorised within a certain population will determine whether or not *bios* is revoked and consequently whether or not they fall within the *make live* or *make die* population. The translation of individual *bare life* into a biological population expands the frontiers of genocide “exercised at the level of life, the species, the race, and large-scale phenomena of population” (Milchman & Rosenberg 1997, p. 699). The ability of a State to commit genocide is due in part to thanatopower, but also to increases in technology. Accounting, for example, was seen as a technology of the Nazi State and motivated by economic considerations. It used concepts such as charge-discharge accounting as effective death warrants for identified Jews (Funnell 1998) and cost-benefit analysis to ensure the efficient and cost-effective killing of children (Lippman & Wilson 2007). The Aryanisation, slave labour and genocidal programs that defined the Holocaust were bureaucratised into issues involving departmental cooperation in terms of “planning, budgeting, coordination, and marshalling [of] necessary resources” (Dillard 2003, p. 3), all of which relied on accounting.

Since “the power to expose a whole population to death is the underside of the power to guarantee a [population’s] continued existence” (Milchman and Rosenberg 1997, p. 699), new political opportunities are created under the umbrella of thanatopower. Refocussing on both life and death ensures that the citizenry will more rapidly take on those biological characteristics deemed desirable by the State. Rather than waiting for a generational shift in biological characteristics (the time for those chosen to *let live* to repopulate and those chosen to *let die* to perish), the thanatopolitical State can activate immediate ‘improvements’ to its citizenry. Operationalising both active tenets of sovereign power and biopower accelerates the imperatives of the State and ensures the repopulation of the biologically desirable citizen within a shorter time frame. “In Hitler’s Germany, an unprecedented absolutisation of the biopower to *make live* intersects with an equally absolute generalisation of the sovereign power to *make die*” (Agamben 2002, p. 83) and with this the threat turns to the individual.

Individuals are defined by biological constructs and thus race, which then determines whether they will live or die. Murray questioned how it is that “my singular life – the only one I have to give – can be mapped onto a collective political life...whose oneness is...questionable?” (2006, p. 192). It is important to note that the *thanatopower* imperative of the State – *make live and make die* – completely erases any notion of *let*. There is now only space for active State control and intervention. Actions are deliberate, calculated and geared towards political imperatives, and death of citizens is a political goal. Sovereign power and biopower activate at population levels to be distilled into *thanatopower* such that sovereign power and biopower are relegated to ordinary forms of power, whose operation are historical.

#### 4.4.2 Invocation of *forms of life*

It is critical to include the *zoē* and *bios* into the maxim of *make live, make die* as those without *bios* were no longer ‘allowed to’ (or *let*) die, but were put to death by the State. This

death sentence could even be decreed by birth, such that citizens are born to die. Thanatopower seeks to capture and then exclude, or isolate, “*bare life as an exception*” (Genel 2006, p. 43). This is achieved firstly through the revocation of financial *bios*, then loss of political *bios* and finally death. The State declares the *exception*, the *exception* becomes the rule, and those who were placed within the *state of exception* remain there, even when the crisis was resolved. *Bare life*, even without financial and political *bios*, is politicised and increasingly inscribed “within the political order, which in turn makes its exposure to power increasingly radical” (Genel 2006, p. 53). The State is then in the process of producing thanatopolitical bodies. As citizens are stripped to *zoē*, ultimate power is able to be exercised and sustained by the State, whose legitimacy is reflected in its control over *bare life*. The State decides whose life is bare or qualified, whose life is to be apportioned value and whose is to be terminated. The State is enmeshed in a process of perpetual production and destruction of life for the purpose of legitimising itself as the gatekeeper between those with *bios* and those without.

In the Nazi concentration camps, the removal of the personal or the human was almost a prerequisite for the demise of *bare life*. People were tattooed with numbers and “the only thing that was important about them was their number. Whatever productive work that was to be had from them was as if from a machine” (Gilbert 1986, p. 824). Similarly, death was merely an output of production, a necessary by-product of producing *life*. Corpses were produced as part of thanatopower’s exertion of *make live* and *make die* over the population (Agamben 2002, pp. 71-72). Whether alive or dead, people were referred to as *Figuren* (Funnell 1998; Agamben 2002) and “where death cannot be called death, corpses cannot be called corpses” (Agamben 2002, p. 70). Agamben (2002) prefers to ascribe the *bare life* in the camps as *homo sacer*, contextualising this paradigm to the new exile - the *state of exception* - the outcast whose life and death was manufactured in the camp. *Homo sacer* is *bare life* that has been politicised, subject to the violence and abuse perpetrated by the State and citizens who retain their *bios*.

*Homo sacer* is still subject to thanatopolitical policies today but the terms we ascribe to him/her are varied, including *refugee* and *detainee* (Agamben 1995). The refugee/detainee is in a permanent *state of exception*, and is this century's *homo sacer*. Citizens of liberal democracies feel protected by their citizenship and the human rights conferred on them by international agencies and ratified by their governments. Human rights, however, remain under State control and, as this study demonstrates, there are no absolute protections from violence and death. As such, our humanity will not save us, rather, it may be this that threatens our survival in the context of citizens with *bios* and the thanatopolitical State. It is this subjection to *bare life* and permanent exposure to death that signifies the rupture of sovereign power, that had been operating in the margins of biopower, into the *make die* component of thanatopower. Thanatopower represents the "continual process [that] pushes past the decline of rights...to the production of *bare life* and then to its extermination" (Genel 2006, p. 55).

The simultaneous, active focus on death and life is indicative of a thanatopolitical order where "*zoē* entirely separated from *bios*, is a life destined to die, a life that has death inscribed into it from the very beginning" (Vatter 2006, p. 218). The expansion of rights for the biologically desirable citizens has its corollary in "the increasing inscription of life in the realm of government" (Bazzicalupo 2006, p. 114). This does not protect the *bios*. The *zoē* and *bios* are equally exposed to the State and the *bios* remains tenuous, particularly as what is biologically desirable shifts, and racism contorts over time. Despite Foucault's hypothesis, it is not life that becomes the focus of the State and its political policy, but life and death. "Death is the establishment and materialisation of a boundary [between *zoē* and *bios*]" (Lemke 2011, p. 59). As has been discussed, there can be no policy about life and *make live* without a policy on death and *make die*. The State is no longer perceived as focussed on life and biopolitics, but revealed as thanatopolitical with its gaze on both life and death.

Accepting thanatopower as the dominant form of power relations can “illuminate the death world and its incipient genocidal universe... [and] provide vital insights into the way that world intersects with the project of modernity” (Milchman and Rosenberg 1997, p. 697). Sloterdijk explains that “political communities ‘after modernity’ have entered a new constellation ‘beyond the nation-State’” (2013, p. 310), and increasingly racial divisions are cast in terms of biological factors instead of the traditional State/State division. Citizenship is no longer guaranteed by birth or ancestry in the quest to preserve Nationhood. As the global community grows larger, the camps grow overcrowded as more and more *bare life* is inevitably produced through the *caesura* enforced through the loss of financial *bios*, political *bios* and ultimately *zoē*.

#### 4.4.3 The theoretical triptych

The linkages between Foucault and Agamben, and between sovereign power and biopower, were expressed diagrammatically in Figure 8. These concepts require further elucidation in terms of their theoretical capacity. One such way of doing so is to formulate these power relations (as thanatopower) into a theoretical triptych, while also addressing the notions of biopolitics, racism, *forms of life* and the *state of exception* articulated by Foucault and Agamben. This theoretical triptych emphasises the *make die* aspect of thanatopower, namely via the loss of financial *bios*, loss of political *bios* and loss of life.

##### 4.4.3.1 *The first panel: Loss of financial bios*

Financial *bios* was presented as an additional *form of life* that differentiates humans from other living organisms, while serving to address the theoretical gap between Foucault and Agamben. Augmenting human life to include financial life provides scope to recognise

accounting as a primary mode of understanding and (re)presenting people's economic lives. The loss of financial *bios* represents the first panel in the theoretical triptych:

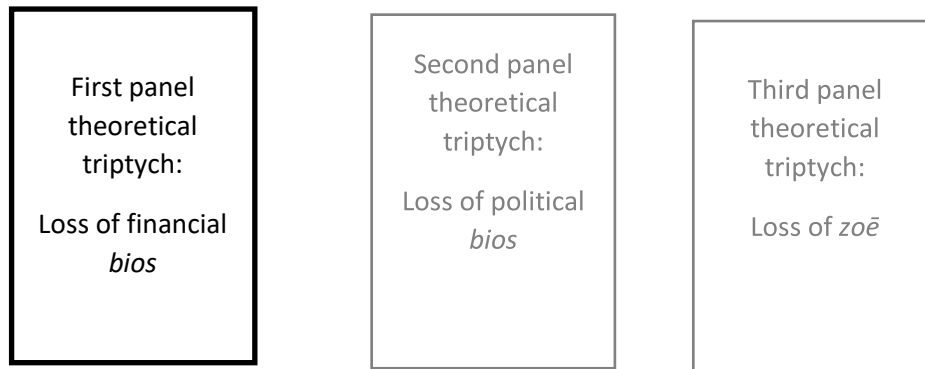


Figure 10 - First panel of theoretical triptych

Examination through this panel reveals how Jewish businesses were *made to die* under incrementally repressive German laws (enacted as part of State policy to exclude the Jews from the economy); while the Aryan businesses were *made to live*. This act of thanatopower is examined in chapter six through the policy of Aryanisation. The ways in which Aryan businesses, as conduits for the State, instrumentalised the loss of financial *bios* through accounting techniques are explored. Alongside this loss of Jewish financial life, Chapter 6 outlines the consequences of Aryanisation in terms of *making live* the Aryan businesses.

#### 4.4.3.2 *The second panel: Loss of political bios*

Political *bios* was presented by Agamben as the singular *form of life* to distinguish humans from animals. The loss of political *bios* represents the second panel in the theoretical triptych:

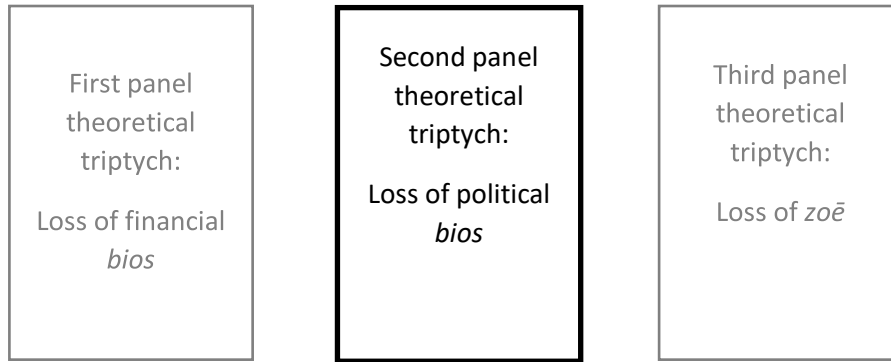


Figure 11 - Second panel of theoretical triptych

This panel frames the discussion of how Jewish labour was redefined as slave labour, and foreign labour as forced labour, enabled through the loss of political *bios*. Jewish people and others designated as the ‘subrace’ were *made to die* through an exhaustive work pace, scarce food supplies and exposure to the elements. Simultaneously, the Aryan workers were *made to live*, by businesses providing them with better rations along with wages. The conduct of these businesses, as justified through the rhetoric of accounting, is examined in chapter seven in order to expose the operation of thanatopower through the businesses.

#### 4.4.3.3 The third panel: Loss of *zoē*

*Zoē* was the final loss of life experienced by the Jews in Nazi Germany. The loss of *zoē* is represented by third panel in the theoretical triptych:

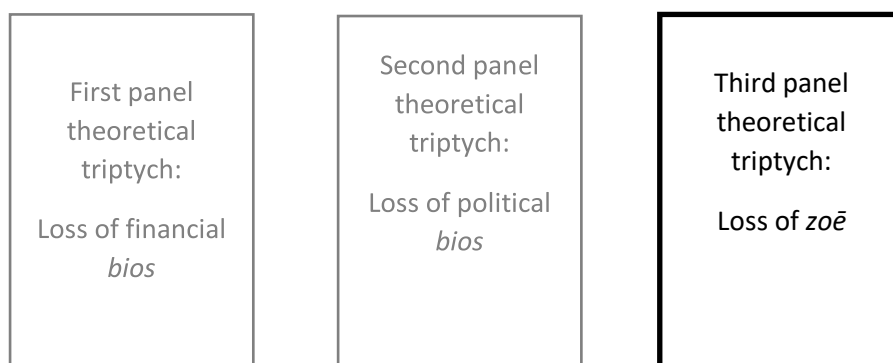


Figure 12 - Third panel of theoretical triptych



This panel is used to expose the complicity of businesses in the actual death of the Jews through the production and supply of Zyklon B. Chapter eight reveals the ramifications of thanatopower as the active intervention of the Nazi State to *make die* the Jews while *making live* the Aryans. The three panels of the theoretical triptych are used to identify the progressive losses faced by the Jews within Nazi Germany.

The integration of conceptualisations of Foucault and Agamben, the composition of power relations leading to thanatopower and thanatopolitics, along with the triptychs outlined in this chapter form the theoretical structure of this study (see Figure 13). As will be revealed in the later chapters, the theoretical structure used in this thesis may be of use to accounting historians in their exploration of other moments in history.

#### 4.5 Chapter Summary

This chapter has outlined the theoretical structure used to analyse the thanatopolitical imperatives of the State. The result is a combination of Foucault's and Agamben's concepts to form a thanatopolitical lens from which to view State/citizens relations. This structure allows for the radical operation of both sovereign power and biopower through thanatopower, instead of replacing, transforming or transposing the powers as suggested by Foucault and Agamben. Furthermore, this framework allows for the lives of citizens to be categorised into *zoē*, political *bios* and financial *bios*, and proposes the *state of exception* as a permanent feature of government.

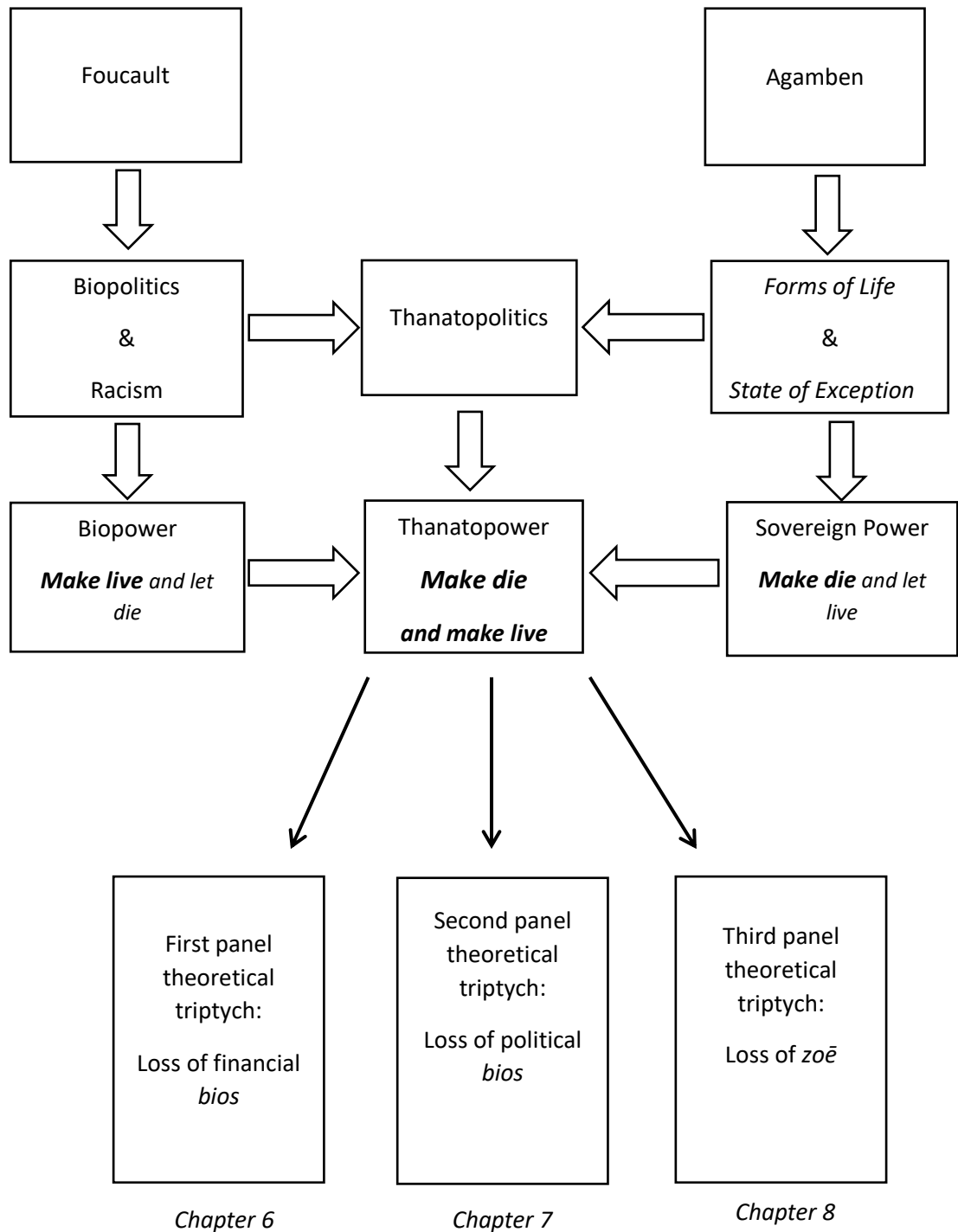


Figure 13 - Theoretical structure of this thesis

This structure overcomes the limitations of Foucault's theorising, in particular that relating to the simple transformation from sovereign power to biopower, along with his lack of explanation about how biological differentiations are segregated and politicised beyond racism. The limitations of Agamben's work are also addressed in this framework by incorporating the

financial within his *forms of life* and by moving away from his often-localised examples and his simplistic transposition of sovereign power into biopower. The extension of his *forms of life* to include financial *bios* provides the mechanism to discuss accounting as a technique of the State, used as part of its ideological imperatives. The introduction of financial *bios* also bridges the ideas of Foucault and Agamben. The intersection of theories together with the notion of *forms of life*, reveal thanatopower as the principal power mechanism behind thanatopolitics (visually represented in Figure 13).

Before considering the theoretical structure in terms of the triptych and the Nazi Germany narrative, the following chapter outlines further epistemics that will be used to analyse the study. Chapter five continues the critical line of investigation outlined in this chapter by delineating the methodological framework that informs this work.

## Chapter Five: Methodology

It may be argued that the past is a country from which we have all emigrated, that its loss is part of our common humanity. Which seems to be self-evidently true; but I suggest that the writer who is out-of-country and even out-of-language may experience this loss in an intensified form. It is made more concrete for him by the physical fact of discontinuity, of his present being in a different place from his past, of his being 'elsewhere'... human beings do not perceive things whole; we are not gods but wounded creatures, cracked lenses, capable only of fractured perceptions. Partial beings, in all the senses of that phrase. Meaning is a shaky edifice we build out of scraps, dogmas, childhood injuries, newspaper articles, chance remarks, old films, small victories, people hated, people loved...

- Salman Rushdie, 1992, p. 4.

### 5.1 Introduction

This chapter presents the research methodology used in this thesis, which falls within 'new' accounting history and, more broadly, as a critical approach to research. A constructivist ontology has provided the foundations for the methodological inquiry adopted in procuring and analysing the empirical data used in this thesis. By adopting a rigorous and contemplative 'close-reading' method, I have pursued the interstices in the available data, drawing out the lived human experience that is often absent from financial accounts. This method has been conducted reflexively, with the choices I have made ultimately shaping the story told in the discussion chapters.

This chapter proceeds as follows. Section 5.2 sets out the methodological foundations of this thesis by presenting: the ontological assumptions (section 5.2.1); the epistemological assumptions (section 5.2.2); the method applied (section 5.2.3) and a discussion around reflexivity in critical research (section 5.2.4). The nature of the critical investigation into the archives employed by this study is outlined in section 5.3. The methodological inquiry detailing the biographies of the authors used is discussed (section 5.3.1), followed by the choices behind

data selection and analysis (section 5.3.2). This is followed by a brief summary regarding the use of translated documents (section 5.3.3). A chapter summary is then offered in section 5.4.

## 5.2 Underlying assumptions of thesis

One of the main aims of this thesis is to bring the work of Giorgio Agamben to the accounting literature, thus his theorising on the *homo sacer* and *state of exception* is central to the research in this thesis. As “a theory depends on how the would-be theorist views the world and the phenomena under consideration, the assumptions they make about the behaviour of people and the phenomena, and their aims in developing the theory” (Gaffikin 2008, p. 5), along with its underpinnings, must be examined. The theoretical underpinnings of this thesis are explored in the following.

### 5.2.1 Ontological assumptions

Every researcher assumes some position on the question of the nature of claims about reality. Broadly speaking, this is the domain of ontology (Gaffikin 2008). I adopt a constructivist ontology in that I view the knowledge of reality as grounded in the meanings constructed about it through language. In this sense, and following from Rorty’s (1979) *Philosophy and the Mirror of Nature*, all of our knowledge claims, including any claims about ontology, have meaning and validity only through the quality of what we construct through language. Accordingly, claims about the ‘nature of reality’ cannot constitute the ‘truth’ of reality through foundations such as God or science outside of ourselves (Arrington 2018). Our graspings of the ‘truth’ are imbued with our experiences, upbringing, values and culture. Having a constructivist ontological position signifies that reality is whatever it means to us in the knowledge we have gleaned as a consequence of language.

Michel Foucault “emphasise[d] the importance of texts, discourses and local circumstances for understanding power and control” (Hopper et al 2014, p. 14). In line with his theoretical aims, Foucault sought to observe the disruptions in history that led to the creation of new forms of discursive formations<sup>63</sup> (epistemes), specifically power relations. He emphasised how discursive formations that are “governed by rules (beyond those of grammar and logic) delineate thought at particular locations or times” (Hopper et al 2014, p. 14). The resulting genealogies of knowledge:

determine what people believe is right and wrong, what is possible, and ultimately how they unconsciously discipline themselves. Power is everywhere: it does not emanate from a particular point or person or creed but in mundane, taken-for-granted local practices best studied through archaeological methods that identify ‘a set of rules of formation that determine the conditions of possibility’ (Foucault, 1972, cited in Hopper et al 2014, p. 14).

Foucault seeks to deconstruct ‘dispositifs’ (apparati) where a single account of the truth privileges a deployment of power (cited in Hopper et al 2014). Hopper et al offer that “within this ontology, accounting cannot represent a universal truth: its language is disordered and unstable because different contexts give rise to different meanings and practices” (2014, p. 13). By exposing the underlying structures that promulgate a so-called scientific and irrefutable ‘truth’, and by acknowledging that humans are essential for the creation of epistemes and reality, richer observations can be made to comprehend the factors that made these institutions possible and thus help us understand where we are now (Gaffikin 2008, p. 157).

A central tenet of critical theory is a rejection of the idea that “accounting (systems) follow universally accepted laws that predict outcomes[,] but [instead] can be deconstructed to

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<sup>63</sup> Discursive formations (or epistemes) are used by Foucault to demonstrate how different examples share the same patterns of concerns, perspectives, concepts, or themes to genealogically trace historical developments within certain institutions or structures.

reveal how they are contextually determined” (Hopper et al 2014, p. 13). This tenet exposes accounting as biased, social, historical and enmeshed within a dynamic process of knowledge and reality construction (Chua 1986a, 1986b; Hines 1988). Thus critical theorists can take “theoretical leaps of faith” (Agger 1998, p. 9) to forge deeper, multifaceted accounts and develop a critical understanding of the way in which accounting is utilised in power-knowledge relations. Consistent with this constructivist ontology, this thesis widens the scope to an analysis of accounting activity and its consequences. Accounting is presented as a tool used by the Nazi State to produce invisibilities and remove the value of lived human experiences.

### 5.2.2 Epistemological assumptions

Epistemology is “concerned with the nature of knowledge” (Hopper and Powell 1985, p. 431). Chua outlined that “epistemological assumptions decide what is to count as acceptable truth by specifying the criteria and process of assessing truth claims” (1986a, p. 604). In line with the methodological aims of this thesis, the epistemology employed is critical, outlined as “anti-positivism” by Dillard (1991, p. 11).

### 5.2.3 Method

The methods undertaken by critical theorists are varied, and almost inevitably incorporate an element of qualitative analysis (Chua 1986a; Dillard 1991). This thesis has utilised literature-based evidence, following other historical literature-based studies<sup>64</sup>. This thesis also

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<sup>64</sup> See for example see Cooper 1980; Davis et al 1982; Tinker et al 1982; Sotto 1983; Burchell et al 1985; Armstrong 1985, 1987; Hoskin & Macve 1986; Miller 1986, 1990; Burrell 1987; Thompson 1987; Colignon & Covalleski 1991; Moore 1991; Rose 1991; Jackson 1992; Kirkham 1992; Robson 1992; Thane 1992; Merino 1993; Knights & Vurdubakis 1993; Miller & Napier 1993; Mills 1993; Bougen 1994; ; Dezalay 1995; Kokubu & Sawabe 1996; Maltby 1997; Funnell 1998; Bhimani 1999; Takatera & Sawabe 2000; Bricker & Chandar 2000; Bryer 2000, 2005; Macintosh et al 2000; Walker 2000; Suzuki 2003; Dillard 2003; Lippman & Wilson 2007; Lippman 2009 (This list has been derived from Napier (2006)).

draws on the archival studies of others, in conjunction with other archival materials such as legislation, court documents and recorded testimony. It presents summarised business case studies to demonstrate the role that business and accounting played in the Nazi persecution of the Jews.

The primary method utilised in this thesis is one of close-reading (Amernic & Craig 2017). Available information was collated, supplemented with particular textual constructs of the time including legislation, decrees, speeches, propaganda, handbooks, court/trial documents and oral testimony, and then analysed according to context and the theoretical structure. Essentially, this close-reading or 'teasing-out' consisted of re-reading texts:

that can be seen to hold more 'meaning' than that which has infiltrated the dominant discourse(s) of accounting... It is a search for the 'textual unconscious', or that which is partial but always active in any text and it is part of the struggle to reveal the narrow discursive space in which certain discussion is validated, acceptable and visible, whilst exposing the violence perpetrated against multiple discourses that do not conform to the standards that set the parameters of debate (Andrew 1999, pp. 48-49).

As most of these documents and testimonies were not presented from an accounting perspective or canvassed in the accounting literature, there was scope to determine the narrow discursive space as described by Andrew (1999).

The method has been applied rigorously; every case study was examined in terms of the context of the time<sup>65</sup> and through the theoretical lens (see chapters six, seven and eight). The interpretations made throughout this thesis do not claim to be *the* truth, but offer versions of *a* truth. In the discussion chapters, the method employed unveils the tension between businesses motivated by profit-seeking objectives and the primacy of State ideology. This tension was compounded by accounting representations which silenced the human account in favour of a

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<sup>65</sup> In line with the approach of 'new' accounting histories.



financial discourse. Human pain, suffering and death were made invisible and given no value in the accounting discourse. These insights, with reference to critical accounting research (Burchell et al 1985; Miller & O’Leary 1987; Miller 1990; Broadbent & Laughlin 1994; Carnegie & Napier 1996; Funnell 1998; Chwastiak 1998, 2008, 2011; Chwastiak & Young 2003; Chwastiak & Lehman 2008), have helped to highlight the implicit ways in which accounting makes invisible, determines (non)values, silences and subjugates people.

The method utilised in this thesis has sought to reveal the power relations between the State, business (as an instrument of policy) and accounting. This thesis answers Dillard’s call for research concerned with the “effects of power and privilege as they emanate from exploitative social, political and economic structures” (1991, pp. 50-51). By focusing on the business sphere, which throughout the Holocaust was motivated primarily by profit (achieving a favourable outcome for shareholders), the infiltration of accounting from the financial sphere into the lives and homes of citizens was exposed. An examination of this private sphere, consisting of both private companies and individuals living in the State, reveals the consequences for people when accounting creates invisibilities and nonvalues. This thesis broadens the scope of accounting to include what *wasn’t* accounted for, and to provide an alternate account that re-situates the human experience as worthy of inclusion and of value. Dillard claimed that if we do not consider different ways of viewing accounting “then accounting will continue to reinforce and reify the social system from which it emanated” (1991, pp. 48-49).

#### 5.2.4 Reflexivity

Throughout this thesis I have pursued reflexivity in order to attempt to understand the multiplicity of influences encountered during this research. Reflexivity relates to the destabilisation of traditional barriers between the researcher and the research, the author and audience, and, reality reflection and reality construction (Lawson 1985; Usher 1993; Shirato &

Yell 1996). The traditional 'closed' barriers are lowered to enable the researcher to cross the threshold, acknowledge the self and be embedded within the research itself (Steier 1991). Reflexivity calls for "recognition of the bias that is placed within texts and it directly challenges the dominant assumptions that research should be, let alone can be, an objective, dispassionate process of observation and reporting" (Andrew 1999, p. 55).

Steier explains that "reflexivity can be understood as a 'bending back on itself'" (1991, p. 2). Reflexivity confronts the notion that research findings present "a sense of completion, accuracy, and objectivity to the research act" (Andrew 1999, p. 56). Reflexivity is appropriate for critical research as it pursues emancipatory possibilities through "increasing awareness of the contradictions distorted or hidden in everyday understandings, and in doing so it directs attention to the possibilities for social transformation inherent in the present configuration of social processes" (Lather 1991, p. 52). Reflexivity allows for researcher bias and constraint, and opens the traditional barriers for audience critique, reflection, deconstruction and influence. By employing this as a tool of research, I acknowledge the partiality of my work.

By admitting to subjectivity, researcher (and subsequent research) bias and selectivity can expose the reflexive researcher to criticism. Nelson explained that "an investigator who is involved in, influences, is influenced by, or has an emotional connection to the object of study is often considered to have insufficient objectivity" (1996, p. 42). Andrew, in response, argued that "who of us does not bring something that is uniquely ours to the research act? Exposing the myth of objectivity does not mean the erosion of any 'useful' or 'meaningful' research" (1999, p. 63). This type of reflexivity is termed "personal reflexivity" (Usher 1993, p. 102), that acknowledges the effect of the researcher's personal, lived experience inherent within the research. The researcher's identity as an "individual [means] his or her research is often an expression of personal interests and values...Thus the topics one chooses to study are likely to derive from personal concerns" (Wilkinson 1988, p. 494). This element of personal reflexivity

extends to the choices made in the research process beyond topic, including data selection, ontology, epistemology and method. In a critical sense, “reflexivity is no longer seen as a problem but as a resource. It helps us to recognize that we are a part of, rather than apart from, the world constructed through research” (Usher 1993, p. 102). Thus, reflexivity is an important and necessary tool in work such as this study.

### 5.3 Critical investigation into the archives

The research conducted in this thesis has relied upon the archival retrieval and interpretation of data from other researchers, supplemented by additional material to provide an alternative story of the Holocaust. Details of data selection and analysis are provided in section 5.3.2, followed by a brief discussion on the use of translated documents in section 5.3.3. The following section discusses the emergent business history research that led to the methodological inquiry of this thesis.

#### 5.3.1 Methodological inquiry – business histories

Much of my work in chapters six, seven and eight has been informed by business histories of German companies that were involved in the war effort. These histories began to emerge in the latter part of the 20<sup>th</sup> century, primarily in response to public demand for transparency around the complicity of German companies in WWII. These histories also give traction to claims for compensation by Jews and others who had suffered enormously at the hands of the Nazis.

The ground-breaking case of *Wollheim v. I.G. Farben* (1950) provided the impetus for the compensation claims that would proliferate in the 1990s. Norbert Wollheim and his family

were one of the last Jewish transports out of Berlin, with the ultimate destination of Auschwitz. Upon disembarking, his sister, wife and three-year-old son were gassed immediately and Wollheim was loaded onto a truck and delivered to I.G. Farben's camp 'Monowitz'<sup>66</sup> (Ferencz 1979, p. 26). Wollheim had the number 107984 tattooed on his forearm and although "his identity disappeared, and he became a number in the Nazi extermination machine" (Ferencz 1979, p. 27), he managed to survive Auschwitz and slave labour. Wollheim was instrumental in the *Kindertransports* which saved thousands of Jewish children from the Nazis (Ferencz 1979). He was the first slave labourer to sue a company for compensation and thereafter began the protracted process of compensatory claims for other forced labourers<sup>67</sup>. Wollheim retrained as an accountant and dedicated his life to pro bono work for Jewish organisations assisting survivors in compensatory claims (Ferencz 1979).

These claims failed to gain much traction until the release of the business history, *Das Daimler-Benz Buch* (1987). Daimler-Benz was intent on celebrating its 100-year anniversary, but continuous bad press generated by accusations of forced labour contracts during the war was impossible for Daimler to ignore. It commissioned a business history to try to acknowledge public condemnation, present the company as transparent, and hopefully wipe the slate clean (Hamburg Foundation for Social History 1987). The attempt did not work. As other business histories were compiled (such as Hayes 1987), companies such as Daimler Benz and I.G. Farben recognised that the public required more than acknowledgement in the form of compensatory payments to former workers (Billstein et al 2000, p. 236). The companies restricted their payments to Jewish labour only, unwilling to acknowledge their use of foreign forced labour. Billstein et al argue that scholarship, in conjunction with negative press, was instrumental in

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<sup>66</sup> The WVHA recorded this event as: "Berlin shipment arrived 7 March 1943. Total 690...Qualified for work 153 men and 25 'Schützhäftlinge'" [protective custody prisoners] (Buna [camp]) and 65 women. Killed [Sonderbehandelt] 30 men and 417 women and children (Ferencz 1979, pp.26-27). Further explorations of Monowitz are provided in chapter seven.

<sup>67</sup> Further compensation claims by Polish forced labourers failed at the time because the courts decided that IG Farben had acted only as an instrument of the Third Reich (Billstein et al 2000, p.234).

altering the restitution claims addressed by a company (2000, p. 237). Other companies such as Volkswagen (Mommsen 1996), Deutsche Bank (James 2001) and Degussa (Hayes 2004) began commissioning their own business histories to stem the flow of public outcry. These commissions represented a small portion of the companies who were involved with Aryanisation practices, utilised slave labour or contributed to the killing centres. These histories are drawn upon, in conjunction with other available sources such as legislation, speeches and court documents, to develop new insights from an accounting perspective. Given the reliance in this thesis on these histories, the respective authors and their approaches are outlined below in the order of their appearance in chapters six, seven and eight.

#### 5.3.1.1 Peter Hayes – Degussa

Peter Hayes is a Professor in German and Historical studies at Northwestern University in the United States. He is the current chair of the Academic Committee of the United States Holocaust Memorial Museum in Washington (Hayes 2018). He is also the author of several Holocaust historical inquiries including *Industry and Ideology: IG Farben in the Nazi Era* (1987)<sup>68</sup>, *The Oxford Handbook of Holocaust Studies* (2010) and *How Was it Possible? A Holocaust Reader* (2015). The work that informs this thesis is *Cooperation and Complicity: Degussa in the Third Reich* (2004). This critical investigation was instigated by Degussa (for more information on Degussa see chapter six) in the hope of presenting a business history similar to that of I.G. Farben (Hayes 1987) and, in a way, to wipe the slate clean for the business continuing into the twenty-first century (Hayes 2004). Hayes acknowledged that being commissioned to write a history exposed him to criticism, reputational risks and bias, but asserted in his preface that “the firm renounced any right of review over what I would write, pledged to withhold no extant

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<sup>68</sup> This work is discussed later in the section.

documentation, [and] promised to keep its archives open to all bona fide researchers upon the completion of the project” (Hayes 2004, p. xvi). Hayes asserted that he was “constantly on guard against even subtle forms of conflict of interest” and urged his readers to maintain an “open-minded and sceptical spirit” (Hayes 2004, p. xvi) as they would when reading any archival documents or published works.

Hayes claimed that he remained consistent with other historians, in that he brought his own *a priori* judgements to the investigation. He insisted that his judgements rest on the conviction “that the organising framework for good and evil in the modern age is not capitalism or socialism, but industrialisation and its corollaries of bureaucratism and professionalism” (Hayes 2004, p. xix). Hayes’ initial business history of I.G. Farben (1987) and his Degussa business history (2004), place him firmly as a Holocaust business historian.

#### 5.3.1.2 *Harold James – Deutsche Bank*

James is an academic historian, holding the title of Claude and Lore Kelly Professor in European Studies, Professor of History and International Affairs and Director, Program in Contemporary European Politics and Society at Princeton University in the United States (Princeton University 2018). James has written several books on the financial history of Germany, including *Nazi Dictatorship and the Deutsche Bank* (2004) and *Krupp: A History of the Legendary German Firm* (2012). His doctoral thesis was titled, *The Deutsche Bank and the Nazi Economic War Against the Jews* (1982).

In 1998, James was asked by Deutsche Bank to form a commission (Historical Commission Appointed to Examine the History of the Deutsche Bank in the Period of National

Socialism) along with four other historians<sup>69</sup>, to scrutinise the history of the bank during the Nazi era (James 2001, p. ix). The Deutsche Bank opened its archives to the commission, whereupon documents were “collected, inventoried and analysed” (James 2001, pp. 7-8), and absences were noted and assumed “destroyed by executives” (James 2001, p. 8). While the research costs of his book (2001) were paid by Deutsche Bank, the commission aimed for transparency and integrity in its research and conclusions. James noted that:

the commission has and continues to see as its task the careful reading and detailed discussion of the studies completed by its members to ensure that the works in question meet the highest standards of scholarship and that they reflect a defensible and responsible presentation of evidence and conclusions (2001, p. vii).

James asserted that all documents examined are “available for consultation by scholars” (2001, p. x) as a way of cross-checking information. This historical investigation was one of the first to analyse the financial aspect of the persecution of the Jews, particularly in terms of company involvement.

### 5.3.1.3 Peter Hayes – I.G. Farben

Hayes produced perhaps the first concentrated business history detailing the role of companies in operationalising the persecution of the Jews<sup>70</sup> in his acclaimed work *Industry and Ideology: I.G. Farben in the Nazi era* (1987). Described as “the best book on I.G., indeed the best book on business in the Third Reich” (Tooze, cited in Peter Hayes 2018), *Industry and Ideology*

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<sup>69</sup> The other historians were Avraham Barkai, Lothar Gall, Gerald D. Feldman and Jonathon Steinberg (James 2001, p. ix). Feldman has also produced work on the complicity of banks and more broadly bureaucratic practice, with the Nazi State.

<sup>70</sup> From a similar standpoint but with more of a focus on its victims, Ferencz (1979) presented a history of forced and slave labour at I.G. Farben.

won the Biennial Book Prize from the American Historical Association. Consistent with his later works, Hayes outlined that:

with the aid of these [archival] materials, I have cross-examined the evidence, both written and oral, more thoroughly than could the hard-pressed lawyers for each side at Nürnberg, who worked under constraints of time, resources, and the state of communications and transportation in post-war Germany. Where I have had nonetheless to rely on uncorroborated accounts provided on the stand or in affidavits, I have done so when 1) merely conveying what Farben's leaders claimed after the Third Reich to have thought, heard, and felt during it, or 2) the information cited seems believable by virtue of having satisfied at least one of three tests: a) Several other specific facts or assertions in the same source have proved accurate when checked against more reliable sources (the test of general veracity); b) the information cited is incidental to the main thrust of the document in question, hence not likely to have been bent to serve a purpose (the test of probability); and c) the data derived from the account in question, though not confirmed elsewhere, fit the pattern of evidence on the subject at hand established by other documents (the test of compatibility). As a result of this method, applied in a spirit of scepticism toward the testimony, I have left out much that both friends and foes of I.G. Farben have long maintained but have also clarified many matters that had stood in darkness or dispute (1987, p. xv).

#### 5.3.1.4 *Reinhold Billstein, Karola Fings, Anita Kugler and Nicholas Levis – Ford Werke & Testimony*

Reinhold Billstein, Karola Fings, Anita Kugler and Nicholas Levis are all researchers and historians specialising in different aspects of the Holocaust. As at 2018, Billstein heads the International Office at the University of Applied Sciences in Hamburg; Fings is Deputy Director of the National Socialist Documentation Centre of the City of Cologne and a teacher at the Department of History at the University of Cologne; Kugler is an historian and journalist based in Germany; and Levis is an American writer and the editor of *Working for the Enemy: Ford, General Motors, and Forced Labour in Germany during the Second World War* (2000). Levis instigated the project by contacting the other researchers, for their specialised knowledge of Ford Werke and forced labour. For the book, "each engaged in further months of research and



working with [Levis] writing and translating their new and at times astonishing findings” (Billstein et al 2000, p. 2).

A chronological history of Ford-Werke was given in the book, but then a large section of the book was devoted to testimony from forced labourers who worked at Ford-Werke and survived the Nazi purge. The researchers accompanied eight former workers on a tour of the former Ford Werke plant in Cologne where they had been forced to work. While touring the facility many workers became “deeply moved” (Billstein et al 2000, p. 238) and it was here that Billstein, Fings and Kugler conducted interviews of the survivors, to augment the archival materials with testimony. This approach has benefitted this thesis by demonstrating the impact of testimony, which when successfully interwoven with historical narrative can produce a powerful representation of human experience during the Holocaust.

### 5.3.2 Data selection and analysis

Besides the emotional effect of Holocaust research, investigating Nazi Germany is fraught with obstacles. Goldhagen argued that “studying the perpetration of the Holocaust is a difficult task interpretively and methodologically” (1996, p. 14). The methodological assumptions of this thesis were outlined in section 5.2 and help shape the direction of the research. As this thesis is situated within the accounting literature, some value decisions around data selection and analysis were made and are discussed below.

#### 5.3.2.1 Data Selection

Obtaining Holocaust data is a difficult endeavour. Access is a major impediment, in that many financial records for firms are not publicly available and/or are in German. The German

Federal Republic's archival law restricts access to archives for eighty years (James 2001, p. 8). As such, State produced data from the war was legally inaccessible. Additionally, many documents were destroyed towards the end of war in the attempt to hide business complicity in the Holocaust (Hayes 2004). Access to the archival data for companies would require permission, translation and time spent in Germany. By observing other Holocaust accounting literature, it was evident that similar barriers were met by other researchers. Funnell's (1998) work relied on histories written primarily by Browning (1980), Arad et al (1981), Hilberg (1983), Goldhagen (1996) and Bauman (2001). Any source documents were contained within these texts. Dillard (2003) relied on Black's (2001) business history of IBM for his research on accounting systems and the Holocaust. Lippman & Wilson (2007) relied on a translator for some of their textual references, but still could only find data from pre-existing texts, such as income statements from Kogon (2006).

I contacted Funnell and Lippman in an attempt to find further accounting data for the businesses researched. Funnell suggested contacting museums such as Yad Vashem, the United States Holocaust Memorial Museum (USHMM) and The State Museum Auschwitz-Birkenau. He also acknowledged the difficulty of undertaking such studies due to problems in obtaining data (including access, permission and translation) (Funnell 2017). Lippman also acknowledged the difficulty in obtaining data, stating "if you find any additional statements, do let me know!" (Lippman 2014).

On contacting Yad Vashem, I was told that there were materials made available online, but that other archival research would have to be done in person at the museum in Israel (Yad Vashem 2015). Its online sources were addressed and appear in this thesis as applicable. The USHMM Reference Librarian replied that "the majority of our archival material requires that you come to the Museum to access it" (USHMM 2016). As the museum is located in Washington D.C., geographically I was constrained. The Head of Archives from the The State Museum

Auschwitz-Birkenau in Poland emailed “I would like to explain that all of those files you are interested in are not available online. Therefore, if you would like to have the access to them please take into your consideration your personal visit in our Archive” (The State Museum Auschwitz-Birkenau, 2016). Geographical and language barriers were again presented.

I also contacted Peter Hayes in the hope of obtaining accounting information on the Holocaust. As the Professor in German and Historical studies at Northwestern University in the United States and chair of the Academic Committee of the USHMM, he seemed in the best position to point me in the right direction. He offered me some sources (in German) that could be of use. He suggested that instead of basing the thesis around broad accounting concepts, that I research “the numerous business histories that have appeared over the past two decades, many of which include discussions of profits and losses in the course of the Holocaust and the balance sheet of slave labour, as well as more general works on expropriation” (Hayes 2017). He admitted that English translations of such works were minimal and that “the relevant German literature is more extensive” (Hayes 2017). I realised that reliance on the histories written by scholars who were given access to the archives of businesses during the Nazi period was the best approach for this study given the various restrictions I encountered.

I then set out to find well-researched businesses histories that explored the role that companies played in facilitating the policies of Third Reich. I found Hayes’ work on Degussa (2004) first and it opened avenues for this research. Not only did it demonstrate how companies could be used to implement political ideology upon citizens, it also implicated business in the death of Jews, through the sale of Zyklon B. What was even more interesting to me was the practice of Aryanisation. Here was a financially-based, ideologically-driven mechanism to deprive people of their financial ‘life’ and livelihood as well as their liberty and physical life. Hilberg (1983) claimed that the removal of property was an essential step towards the development and implementation of the Holocaust, while Dean argued that in canvassing a

multitude of genocides, “seizure of property acts as an important catalyst in accelerating the downward spiral across the threshold to genocide” (2008, p. 15). Aryanisation directly linked the Holocaust to the practice of accounting, through balance sheets, profit and loss statements and audits, business valuations all designed for stripping Jews of their wealth through accounting. This is a central focus of this thesis: the Aryanisation policy of the Nazi party and the subsequent loss of financial life of the Jews.

This in itself, was not enough. I didn’t want to simply re-tell the histories through a new theoretical lens. I wanted to bring the human elements of the Holocaust, the invisible and nonvalued aspects of accounting into view. For this, I utilised testimony, derived from various sources, to raise the voice of the ‘Other.’ Campbell called testimony “the privileged mode of a new genre to be called thanatopolitical writing” (2011, p. 41). Hammond and Sikka argued that it “offers the opportunity to change the focus towards accounting’s effects on people” (1996, p. 10). Ignoring the human side of the story perpetuates the invisibilities created by accounting. For this thesis to be truly critical and firm in its ambition to make space for potentialities for human emancipation, I sought out relevant testimony in order to provide a richer tapestry of social life and change (Okimoto 1984; Hammond & Sikka 1996) richer sources of data were sought. That being said, one voice cannot speak for the millions who were degraded and killed by the Nazis. As a caveat, the testimonies included here are a partial moment within the domain of available testimonies from victims. The intention of including testimony was not for that voice to speak for all voices, but to highlight *a* voice as part of reconstituting the story delivered by accounting. By interweaving extracts from business histories, testimony, trial documents, legislation, speeches and other primary sources from the time and about the time, “documents from diverse sources can ‘talk to each other’” (Dean 2008, pp. 6-7), and contribute to that rich story concerning the role of accounting in the Holocaust.

The data issues with this research have been constant and frustrating. It was obvious that the businesses couldn't have carried out Aryanisations or labour practices without efficient systems of accounting. The Jews and companies were constantly being held to account by the State, whether through Aryanisations, Jewish percentages of board members, taxation payments and the frequent audits to prevent excess profits. These modes of accountability served to silence considerations outside of the system, such as human pain, loss and suffering. Even if not explicitly detailed, it is suggested that elaborate forms of accounting were present in the State and in the companies to efficiently deal with war and genocide. The activities during the Holocaust could not have happened without the accounting systems in place. The particularly organised and bureaucratic methods of the Nazi State were an exercise of accountability to ensure all profits be returned to the State, and all Jews be eradicated.

#### *5.3.2.2 Data Analysis*

As discussed, there was no conventional data analysis method applied in this thesis. Instead, rigorous methodological contemplation has been applied to every item of source material, case study and archive, with reference to context and through the theoretical lens employed. The primacy of the analysis was given to narrating the impact that invisibilities and nonvalues had on individuals. By giving voice to the persecuted, their visibility is reinstated, and the value of human life is acknowledged, though subject to the limitations described above. A methodological choice to limit the 'persecuted' (the 'Other') to the Jewish victims and forced labourers has excluded the narrative of other victims such as the handicapped, POWs, inmates, homosexuals, gypsies, political opponents, Jehovah's Witnesses, Catholics, Freemasons, and other political prisoners. It is not my intention to diminish the suffering of these marginalised groups by focussing on the persecution of the Jewish population in Germany. The breadth of persecution during the Holocaust has necessitated methodological choices where some

accounts of the 'Other' remain silenced. Again, the lack of data has been the primary justification for this choice.

Goldhagen argued that the first task of any Holocaust research "is to restore to them their identities" (1996, p. 6), and to highlight the humanity of the Jews. Secondly, analysis has to be "embedded in an understanding of German society before and during its Nazi period, particularly of the political culture that produced the perpetrators and their actions" (Goldhagen 1996, p. 7), which is notably absent from previous research attempts<sup>71</sup>. Goldhagen further warns against becoming "insensitive to the numbers on the page...each of us should pause and consider that ten thousand deaths meant that Germans killed ten thousand individuals" (1996, pp. 21-22). Where applicable, I have included discussion of some of the more horrific aspects of the Holocaust.

### 5.3.3 Translated documents

This thesis makes use of translated documents as part of its empirical data set. This has been unavoidable due to the fact that original material was in German. There are inherent problems with translations, which I acknowledge as historical artefacts depicting the Anglo/English knowledge of the time.

Translating documents and testimony is:

a highly manipulative activity that involves all kind of stages in that process of transfer across linguistic and cultural boundaries. Translation is not an innocent, transparent activity but it is highly charged with significance at every stage; it rarely, if ever, involves a relationship of equality between texts, authors or systems (Bassnett & Trivedi 2012, p. 2).

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<sup>71</sup> A thorough discussion of German society before and during its Nazi period is provided in chapter two.

There are different linguistic terms that have no literal translation<sup>72</sup>, or words that do not exist in English equivalent terms<sup>73</sup> as linguistics have emerged from different cultural contexts. Exact equivalence is difficult to achieve as “there is no one-to one semantic correspondence of concepts between different language-cultures” (Evans & Kamla 2016, p. i; see also Catford 1965; Venuti 1995). This is especially prevalent in social science research, where the social sciences contribute to the construction of reality and subsequently the construction of language. Language itself is “inherently indeterminate and ambiguous, and because the conceptual underpinning of accounting is contingent on the knowledge bases of other traditions and disciplines” (Evans & Kamla 2016, p. i; see also Zambon & Zan 2000), accounting as a language becomes contextually derived. Therefore, in any translated work, whether it is Nuremberg Trial documents, oral testimony or even the works of theorists such as Foucault and Agamben, meanings are always, and already, obscured.

Other problems with translations include: diversity with syntax and vocabulary (sentence construction and culturally specific terms can alter meaning between language); cross-cultural communication (lack of cultural proximity and issues of cultural contingency can affect meaning between speakers of the same language across different geographic regions); interpreter fatigue (the intense, exhaustive nature of translation can infringe on the accuracy of the translation if regular breaks are not taken) and, extra linguistic knowledge (interpreters must hold knowledge of the discipline into which they are translating beyond ordinary fluency to improve accuracy) (Karton 2008). It is difficult for the researcher relying on translations to know what impediments there were to the translation process and what problems were addressed and mitigated.

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<sup>72</sup> For example, the phrase ‘practice makes perfect’ in English is literally translated from German as ‘no master has fallen from heaven yet.’

<sup>73</sup> For example, ‘schadenfreude’ has no English word equivalent, but is explained as ‘pleasure derived by someone from another person’s misfortune.’

## 5.4 Chapter Summary

This chapter has presented the critical philosophical assumptions of this thesis. As indicated, a close-reading and analysis of the sources was utilised to find the (in)visibilities and the (non)values facilitated by accounting and to deconstruct relations concerning accounting and the State. The integration of reflexive practice in the research process was addressed. The details underlying the methodological inquiry, data selection and analysis were also presented.

The following chapter starts mapping the losses of life experienced by the Jews with reference to the first panel of the triptych: loss of financial *bios*. Chapter six reveals the legislative and political constraints that led to the exclusion of Jews from the German economy, and the consequential loss of Jewish financial life through Aryanisation. The role of Aryan businesses in facilitating this form of financial racism is examined to implicate both business and accounting practices in the implementation of thanatopolitical imperatives of the Nazi State.

Chapter seven explores the second panel of the triptych and the loss of political *bios*. By examining the factories and camps run by Aryan businesses, it is shown how the lives of the Jewish and foreign workers were subject to the *make die* imperative of thanatopower, while at the same time German workers were *made to live*. State ideology dictated the type of work assigned, food distributed, and punishments meted out by business. The systematic starvation, exposure, disease and exhaustive work pace led to an 'extermination-by-labour' doctrine, enabled through the loss of political *bios*. Reduced to *homo sacer*, the Jews were exposed to death in the legalised lawlessness of the *state of exception*.

The final loss of life is discussed in chapter eight with reference to the third panel of the triptych. *Zoē*, or actual life, was lost as the Jews were killed as *bare life*. Business and accounting practice are further implicated in the deaths of over 1 million Jews through the production of the chemical Zyklon B. The efficient, cost-effective and inhumane method of execution delivered



the 'Final Solution' to Nazi Germany, made possible through the incremental losses of financial and political *bios*. The narrative of Nazi Germany is re-told through the thanatopolitical structure and triptych that trace the successive losses of life of the Jewish population.

## Chapter Six: Financial death – loss of financial *bios*

This is like an automatic factory...At one end you put in a Jew...and he goes through the building from counter to counter, from office to office, and comes out the other end without any money, without any rights.

- Thad Allen, 2005, p. 3.

### 6.1 Introduction

This chapter explores the financial loss of life of the Jews in terms of the first panel of the theoretical triptych (see Figure 14, see also section 4.4.3.1). The financial loss of *bios* for Jewish people was a necessary first step that would progress through to loss of political *bios*, and culminate in their loss of life through the termination of their *zoē*. This chapter will spotlight the aspect of thanatopower that *made die* the Jewish businesses while *making live* the Aryan businesses. This chapter provides the primary contribution of this thesis in bridging the ideas of Foucault and Agamben through exploring the concept of financial *bios* and the consequences of its loss.

The focus on the financial side of the persecution has been labelled “novel” (James 2001, p. 5), and presenting “one of the most curious lacunae in the vast body of modern writing about Hitler’s Reich” (Hayes 1987, p. xvi). Additionally, there are few studies that examine the role of major corporations and their complicity as instruments of Nazi State policy (for notable exceptions see Hayes 1987, 2004; James 2001). By investigating corporations, which, as separate legal entities enjoy the status of legal persons but not of moral persons, further light can be shed on the role of businesses and of business men and women (including accountants) in the Holocaust. Attention to this under-researched aspect of the Holocaust demonstrates that the Jews not only lost their political freedoms in the factories or their lives in the camp, they also lost any financial means of survival. The loss of financial *bios* ultimately left most Jews vulnerable to internment in the camp, forced deportation, or other consequences in the *state of exception*.

This thesis explores the triumvirate of losses experienced by Jewish citizens as facilitated by the companies Degussa and I.G. Farben. Tracing the thread of business complicity in the loss of financial *bios*, political *bios* and *zoē* highlights business collusion in Nazi ideology from Aryansisation, to slave labour, to extermination. While other companies are also examined (Deutsche Bank in this chapter and Ford Werke in chapter seven), the actions of Degussa and I.G. Farben provide the primary threads to the stories.

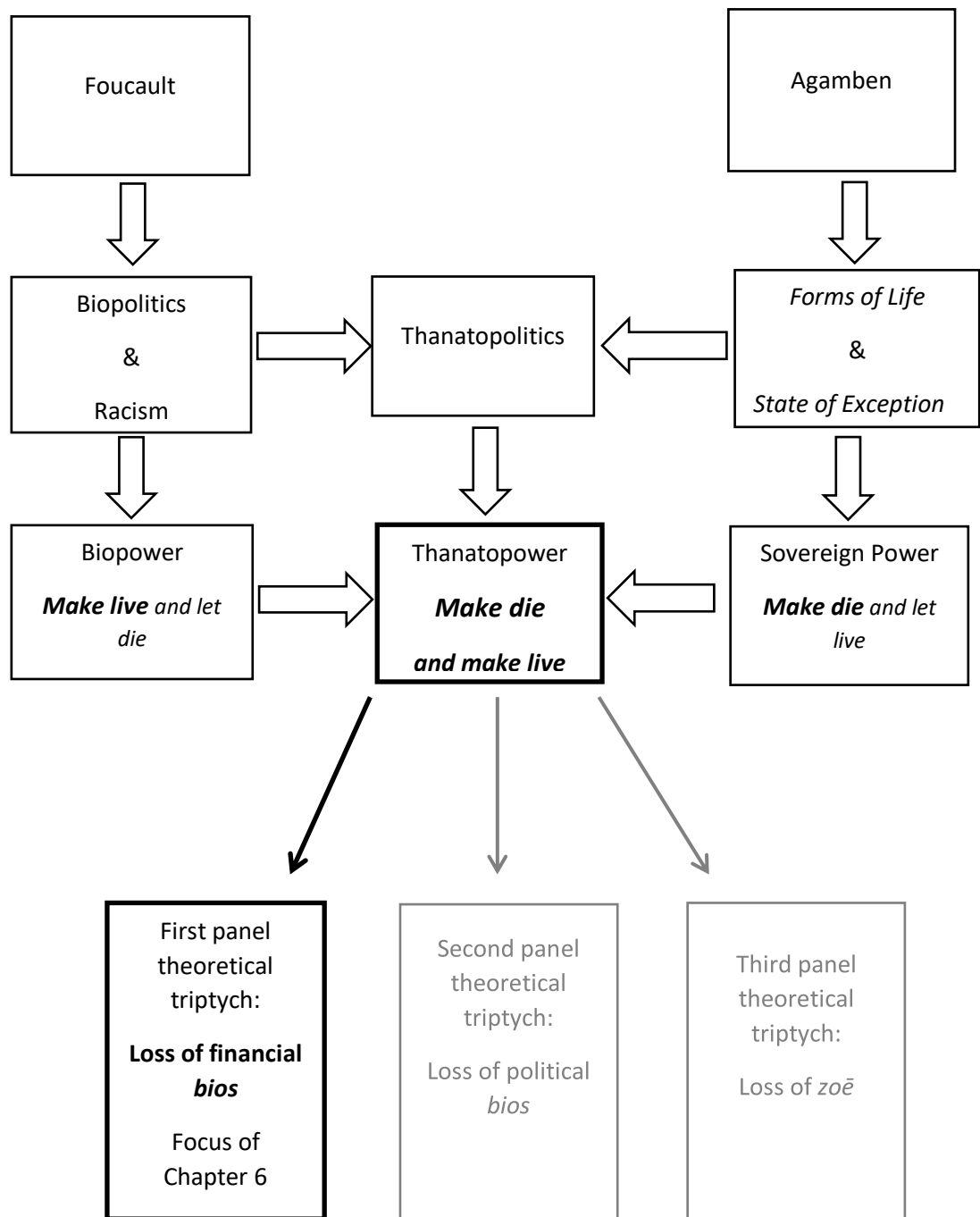


Figure 14 - Theoretical structure highlighting the first panel of the theoretical triptych

This chapter proceeds as follows. Section 6.2 discusses the Nazi racial and economic policy of Aryanisation. Section 6.3 explores the concept of the corporative economy, present in Nazi Germany. Further implications from the policy of Nazification are discussed in section 6.4, followed by the contextualisation of Aryanisation as a policy instrumental in determining the *state of exception* in section 6.5. Various case studies of Aryanisations are then examined through different businesses, including Degussa (section 6.6), the Deutsche Bank (section 6.7) and I.G. Farben (section 6.8). Section 6.9 provides the conclusions for this chapter, including how the loss of financial life (*bios*) was a necessary starting point for the genocidal policy of the Nazi State.

## 6.2 Aryanisation

For the German state to achieve its ideal of *Judenrein* ('clean of Jews'), the first stage was to remove the Jews from the economic life of ordinary German citizens – to make German business *Judenfrei* ('free of Jews'). This was achieved through the multi-phased operation known as Aryanisation (*Arisierung*). This section defines the parameters of the Aryanisation process, as well as presents a timeline of the legally sanctioned barriers to economic life. This demonstrates the compounding effects of State intervention on the lives of the Jewish people that ultimately led to their removal from the German economy, by what Agamben described as policies that "include him [*sic*] in excluding him and exclude him in including him" (1995, p. 50). Aryanisation comprises the important first stage of the genocide of the European Jewry through the loss of financial life and livelihood – loss of financial *bios*.

Aryanisation specifically refers to the State enforced transfer of 'Jewish' property to 'Aryan' ownership. It is also a term used to define "the whole process of the economic exclusion of the Jews" (Bajohr 2002, p. 11), synonymous with the other oft-used term 'de-Judaisation.' It comprised the purge of Jewish ownership as an economic aspect of racial discrimination, thus

removing the financial *bios* of the Jews and beginning the demarcation of Agamben's 'exception.' The State would order the Aryanisation of a company, which meant that it would either be acquired by the State or by another enterprise that was classified as 'Aryan' – i.e. the board had no Jewish members. Aryanisation was an effective device for the State to harness control of the economy. By implementing a labyrinthine bureaucratic system, Aryanisation became a "function of the State which was to take place only on a strictly legal basis" (Bajohr 2002, p. 234). This way, the proceeds from Aryanisation could be funnelled to the Reich, providing additional funds to subsidise its dual policies of autarky and armament under a corporative economic model (see section 6.3). Grunberger argued that Aryanisation was typical of the types of changes implemented by the Nazis at two separate levels:

confiscation of Jewish property was substituted for the levelling-out of property as such (commercial, financial, landed and – above all – industrial) on a *Mittelstand*<sup>74</sup> scale; and Jewish expropriation typified the working of the Nazi party: the larger the unit concerned, the greater its percentage share of the profits (1971, p. 174).

Aryanisation cannot be condensed into one single measure, but rather "a multiplicity of measures aimed at the extinction of [Jewish] business life" (James 2001, p. 211), as demonstrated by the progressively inhibiting ordinances and decrees issued by the State, outlined later in this section (and also listed in Appendix 1). "Jewish property was measured, compulsorily recorded and finally appropriated" (Funnell 1998, p. 450), such that accounting and accountants were at the forefront of Aryanisation. Though it is hardly disputed that "politics and terror under the National Socialist regime were mixed together in a seamless web" (Bajohr 2002 p. 17), the use of economic measures to curtail the influence of the Jews is an under-researched aspect of the Nazi period. With the exception of a few texts<sup>75</sup>, Aryanisation has rarely

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<sup>74</sup> *Mittelstand* can be translated as 'the medium-sized companies in a country, viewed as an economic unit.'

<sup>75</sup> See Bajohr 2002; James 2001; Hayes 1987, 2004.

been treated as a historiographical subject of its own, no doubt because it becomes “overshadowed by the mass murder of millions” (Bajohr 2002, p. 1). That is not to say that the process of Aryanisation and subsequent loss of financial life was not devastating for the Jews, but it became eclipsed by the horrors that followed. James called the “focus on the economic side of the persecution quite novel” (2001, p. 5). It has only been in light of the subsequent court cases and reparation payments by Swiss banks and other complicit corporations (Billstein et al 2000) that the wider public has entertained the notion that economics, and indeed accounting, was directly implicated in the persecution of the Jews. By examining the role of businesses and corporations in the Holocaust, beyond the typical themes of slave labour or murder, the bureaucratic and accounting practices used to dehumanise and categorise Jews as the ‘Other’ are illuminated.

A further issue with Holocaust research is that it tends to focus on particular aspects of the Holocaust without considering the broader social context and ideologies prevalent at the time (Goldhagen 1996). While the ‘Jewish Question’ formed the overarching ideological imperative of the Nazis, it was a constellation of beliefs, policies and theories that informed the Nazi political system. This is evident in the process of Aryanisation: the primary function was *Judenfrei*, to remove the Jews from economic participation, to crush their financial livelihood, and to ensure they were entirely at the mercy of the State. A second, less visible, function was to centralise business and industry in the hands of the Nazi State to provide a source of revenue for its ambitious territorialisation, autarky and armament plans. While the National Socialist economics service (*Die Deutsche Volkswirtschaft*) announced that “the Jewish question is a...racial and not an economic question” and that “the displacement of the Jews from the economy was primarily a political measure” (Bajohr 2002, p. 199), the Reich found a way to solve two problems at once.

The racial discrimination inflicted by Aryanisaton grew steadily from 1931, intensifying in 1938. The Reich:

still clothed their anti-Jewish initiatives in the garb of legality and suggested to the public through legal licensing procedures that they were implemented according to the principles of law, order and fairness – according to the principles of ‘merit and decency’, as the National Socialist press put it (Bajohr 2002, p. 193).

‘Merit and decency’ was the oft-repeated justification for the legal discrimination imposed on the Jews. Aryanisaton can thus be conceived of as the implementation of the Nazi’s de-Judaisation, *Judenfrei* or anti-Jewish policies founded on deeply held beliefs of anti-Semitism. For Agamben, it was a primarily thanatopolitical policy which saw “the growing *inclusion* of man’s natural life in the mechanisms and calculations of power” (1995, p. 119). A derivative of this policy was to ensure increased assets and revenues for the State, as well as to centralise its power over German industry and the economy. Accountants were the appointed attestors of value in the termination of Jewish businesses (Adler 1939).

One of the first politically derived measures to control the Jews was the *Reich Flight Tax*, introduced by the Brüning government in 1931 (Bajohr 2002, p. 121). It was justified as helping to fund the reparation payments Germany was still making from World War I, but after 1933 it was transformed into a compulsory levy against the Jews (Bajohr 2002, p. 121). It was initially designed to tax only those of certain fortunes, but the Nazis saw another opportunity to increase revenue. In the year 1932 before they came to power, the total income from the tax came to 0.9 million RM rose to 342 million RM by 1938/39 (Bajohr 2002, p. 121). The tax rate increased exponentially, reaching 96 percent by September 1939. *The Reich Flight Tax* was complemented by the Jewish capital levy in 1938 following *Kristallnacht*, a compulsory contribution of 1 billion RM by the Jewish community to pay for damage inflicted by anti-Semites. This was closely followed by a second emigration levy (Bajohr 2002, p. 122). The corollary of these policies was

to make emigration, possibly the only realistic alternative to the German Jews, “so unattractive through taxes and compulsory levies that many Jews preferred to remain in Germany rather than to leave, which in many cases could only be done at the cost of confiscation of their property” (Bajohr 2002, p. 121). For the wealthier Jews who could afford to emigrate, the combined *Reich Flight Tax*, capital levy, Jewish property levies, along with the losses from forced Aryanisations, meant that 98-99 percent of their equity was confiscated by the German Reich (Bajohr 2002, p 244). For those who did not emigrate, forced exile was also a possibility, but Bajohr estimated that “every fourth [Jew] was murdered or committed suicide before deportation” (2002, p. 249). For the others, Agamben explained they were interned in a permanent spatial arrangement, a factual state of danger, the *camp* as the *state of exception* (1995, p. 169). The effect of Aryanisation was to exclude the Jews from the economy, making them the *exception* to the norm and the inhabitants of the *state of exception*.

After the *Reich Flight Tax*, other legal instruments to control and decimate the financial *bios* of the Jews were steadily introduced. On 12 June 1933, the *Law against Betraying the German National Economy* (requiring notification to authorities of all assets abroad) was implemented, followed by the *Law on Exchange Control* on the 4<sup>th</sup> February 1935 (requiring a licence to acquire foreign currency or to transfer RM) (Bajohr 2002 pp. 154-155). In the interim, various other legal impositions on the Jews were enacted including:

restrictions on Jewish entry to schools and universities (April 1933); exclusion of Jews from marriage loans (July 1933); exclusion of Jews from the Hereditary Farm Law (September 1933); exclusion of Jewish lawyers from the legal system (September 1933); exclusion of Jews from art, literature, theatre, film and the press (September-October 1933); exclusion of Jewish doctors from medical insurance schemes (May 1934) and from hospitals (December 1935); and the exclusion of Jews from the armed forces (May 1935) (Newton 1990, p. 233).

The Minister of People’s Enlightenment and Propaganda, Goebbels, was swift to use these policies to direct public attention to the “Reich enemies” (Newton 1990, p. 195). From 1935, he



utilised propaganda to ensure the mass boycott of all Jewish-owned businesses and professions, at times even posting SS men in front of doorways to intimidate potential customers (Newton 1990, p. 195).

The centrepiece of anti-Jewish legislation is the well-known Nuremberg Laws, so named for the Party Rally held at the location of the same name in September 1935 (*Nürnberg*). This rally introduced *The Reich Citizenship Act* and *Blood Protection Act*, which ensured that Jews and *Mischling* (part-Jews) were stripped of their German citizenship, of all rights, of their financial and political *bios*, as well as being informed that sexual relations between Jews and Aryans were now prohibited (Newton 1990, p. 234). The latter declaration was to aid the Nazi thanatopolitical policy of *Judenrein*, for if they were not allowed to copulate then the mixed races could not procreate, thus ensuring a partial answer to the Jewish question. A special department was set up for this dogma headed by Dr. Walter Gross, the *Reich Bureau for Enlightenment on Population Policy and Racial Welfare* (Newton 1990, p. 240). With the enactment of the Nuremberg laws, the Nazi's could turn their attention to the economic situation of the now denaturalised Jews. In the time period between 1935 and 1938, the "National Socialist state accelerated its repression of Jewish companies through finance policy mechanisms" (Bajohr 2002, p. 154). The years preceding World War II eviscerated the financial viability of the Jews, "depriving the Jews at almost one stroke of all prospects for making a living" (Bajohr 2002, p. 143), removing their financial *bios* and rendering them particularly vulnerable to the actions and policies of the State. By institutionalising the racial discrimination within Germany, accountants "were actively engaged in the formation and implementation of the laws that discriminated against Jews" (Lippman & Wilson 2007, p. 294).

Legislation sanctioned in 1938 included the *Ordinance Against Support for the Camouflaging of Jewish Commercial Enterprises*, which threatened imprisonment for those involved in deliberately masking the Jewish character of an enterprise to deceive the population

or authorities (Bajohr 2002, p. 189). Also authorised was the *Ordinance on the Registration of the Property of Jews* (1938). Aryanisation, a largely informal policy until then, became legal through this ordinance, and ensured that the financial, economic and political interests of the German Reich were secured by forcing all Jews (as defined by Nuremberg laws) to not only register their property but to also have its value assessed, and then deploy the property in accordance with the interests of the German economy (Bajohr 2002; James 2001). Large penalties were imposed for any failures to comply (James 2001, p. 197). This was followed by an order from Göring on the same day removing the right of Jews to dispose of their property (Bajohr 2002, pp. 185-186).

Blocking orders swiftly followed - these incapacitated Jews by freezing Jewish assets held in banks, savings banks and post offices, by confiscation of accounts receivable, by freezing of investments and income, as well as the confiscation of passports (Bajohr 2002, p. 157). The economic livelihood of the Jews was eradicated. They were the *exception*, included through their exclusion into the *state of exception*, where the suspension of law exposed them to unfettered State violence.

The anti-Jewish sentiment felt in Germany, provoked by clear discriminatory ordinances issued by the government, saw attacks on Jewish people and Jewish owned businesses increase “until they reached an apogee in the pogrom of the so-called *Reich Kristallnacht*, November 9, 1938” (James 2001, p. 51). The ‘night of broken glass’ saw mob mentality and riot rampage throughout Germany, resulting in the destruction of millions of RM of Jewish property, as well as individual attacks on Jewish people. Additionally, male Jews were rounded up and “herded into the German Labour Front Offices, where notaries were on tap, and coerced into signing powers of attorney...[transferring] their property...at 10 per cent of the value assessed for tax purposes” (Grunberger 1971, p. 102). Insurance companies refused to pay the victims, with the Führer stating that “they must put their businesses in order again by themselves” (James 2001,

pp. 60-61). This was endorsed legally through the *Ordinance on the Restoration of Street Scenery at Jewish Commercial Centres* (Bajohr 2002, p. 231). *Kristallnacht* was followed by the *Ordinance on the Exclusion of Jews from German Economic Life*, which finally sanctioned the explicit extermination of all Jews and Jewish influence from the German economy. Aryanisation was made compulsory and Jewish enterprises were liquidated. A 1 billion RM mandatory contribution was also demanded through the *Ordinance on an Expiation Payments by Jews of German Citizenship* (1938), further crippling the Jewish community, as any money they held in reserve or received for Aryanisations was fed back to the State through this ordinance (Bajohr 2002, p. 231). The remaining properties that somehow survived the 1938 compulsory Aryanisation laws were seized by the Reich in 1942 under legal pretence through the *Decree of the Führer and Reich Chancellor on the Utilisation of the Requisitioned Property of Enemies of the Reich* and the *Eleventh Ordinance of the Reich Citizen's Law*, which deprived all emigrated Jews of their German citizenship (Bajohr 2002, p. 243). All property and wealth were "meticulously accounted for" (Funnell 1998, p. 454), as the practice of accounting not only ensured that the State's surveillance and identification of Jewish resources was redirected to the State, it also protected against potential theft. "Conforming to the decrees was in essence an accounting exercise whereby each Jew had to draw up a truncated balance sheet containing nothing but assets" (Funnell 1998, p. 455).

While the process of Aryanisation began in 1933, it was intensified by the Nuremberg Laws of 1935. It was to a large extent completed by 1938, which was "a veritable *annus horribilis*" (Bajohr 2002, p. 117) for German Jews. Those Jews who remained in Germany were impoverished and became dependent on the State for social welfare, food, housing and ultimately survival. The same State that had stripped them of their rights, their property, their assets and their ability to earn money now became the source of total dependence. The Jews, who had so often in German culture and ideology been seen as the source of economic evil and the cause of the downfall of the German economy, were financially dead. They were stripped of

their financial *bios* and could not, as Agamben argued, “be included in the whole of which it is a member and [could not] be a member of the whole in which it [was] always already included” (1995, p. 25). The Aryan Germans on the other hand had received a “panacea for all their economic ills” (Grunberger 1971, p. 167). The Nazis were one step closer to a solution for the Jewish question.

This chapter presents several Aryanisation case studies (sections 6.6 to 6.8) to demonstrate the disregard for Jewish compensation, the plundering of the Jewish economy and the robbing of the economic livelihood of the Jews so endemic to the process of Aryanisation. It should be noted that Agamben has explained that “in the notion of *bare life* the interlacing of politics and life has become so tight that it cannot easily be analysed” (1995, p.120), which is why the discussion chapters are organised in a particular way. By teasing out the individual cases and the impact of Aryanisation on the Jewish business owners, the eventual exposure of their *bare life* through the removal of their financial *bios* (and subsequent political *bios*) can be revealed. In a similar vein, the use of accounting to document the Aryanisations and thus designate the ‘norm’ is demonstrated. As the financial figures for the individual case studies are given, the context is examined to widen the scope of inquiry. By doing so, the stories and fate of both the Jews and the corporate businesses are given a voice (or visibility and value) denied to them through accounting rhetoric. As will be shown, financial accounts of Aryanisation masked the human element of the process, and this highlights the inability of accounting to speak beyond an economic discourse.

### 6.3 A corporative economy

Aryanisation completely changed the structure of economic life in Germany, forming an “inverted imperialist capitalism” (Schweitzer 1964, p. 532) devoid of Jewish influence and

completely State centric. Grunberger outlined the major changes wrought to capitalism in Nazi Germany following the process of Aryanisation, namely:

a rapid increase in undistributed profits; the precedence of managerial over stockholder interest; the diminished influence of banking and commercial capital; the permeation of the distributive apparatus by industrial monopolists; and a partial reduction of the dominance of heavy industry by the emergent chemical industry and certain of the metallurgical industries. (1971, p. 177).

The form of economy that existed in Germany during the Nazi period can be referred to as 'corporative', deriving from the similar economic system in fascist Italy at the same time (Cinquini 2007). The strong ideological commitment to fascism and racism contrasted with the liberal ideologies of the Weimar Republic, including democracy and a free market. The Nazi regime called for the transformation not just of society but also of the economic system, and this resulted in the introduction of a corporative economy.

The corporative economy sought to transform property and private initiatives in the ideological direction pursued by the State (Spirito 1932), while at the same time implementing the policy of 'autarky.' Corporatism involved State intervention into the economic sphere to align business goals with State imperatives, and to monitor those larger businesses who could pose a threat to the State. Cinquini stated that "the firm was then seen not only as an instrument for attaining private ends, but also as part of a broader context of collective goals" (2007, p. 220). In a corporative economy, businesses could be used as a conduit for State economic policy, instrumentalising and implementing action designed to meet the overarching ideological commitment to racism.

Donnini (1938) described the firm as a 'cell' of the corporative State, part of the organic structure of the social and economic body. As part of the cell of the State, businesses become enmeshed within State policy, such that they not only implemented State policy, but also navigated difficult economic terrain where State interests diverged from firm interests.

However, attempts to make a profit within the Nazi corporative economy were fraught with obstacles. With the State focused on autarky, armament and Jewish exclusion from the financial sphere, businesses struggled to remain autonomous and profit-seeking amidst the “ideological superstructure” (Cinquini 2007, p. 233) of the Nazi State. The prevalence and precedence of politics superseded economic interests. Businesses became strategic centres of national economy, fulfilling the political imperatives of autarky and armament, and later of Jewish exclusion from the economy.

The State, concerned that the companies profiting from Aryanisation may be deriving excessive benefits, handed down a special ‘Aryanisation levy’ (*Arisierungsabgabe*) (James 2001, p. 38). Once the State started forcing acquisitions in 1938, it also decided upon the sum to be paid in compensation (James 2001, p. 61). Aryan businesses were effectively acting as instruments for State intervention in the economic sphere, a medium through which State-directed transactions occurred. When this levy still proved ineffective at rerouting profits back to the State, a special ruling of the Ministry of Finance instituted “retroactive taxation” (Grunberger 1971 p. 174).

The *Gau*<sup>76</sup> Economics Advisor ensured that the key aspect to an Aryanisation project was to “drive down the sale price of the Jewish company as far as was possible. In principle, therefore, he did not authorise any payments for the ‘goodwill’ of the enterprise” (Bajohr 2002, p. 150). Bajohr offers three examples to illustrate this concern of the *Gau*:

in selling the Franz Simon textile business to two party members, the *Gau* Economics Advisor lowered the buying price from 390,000 to 290,000 RM; in the ‘Aryanisation’ of the second-hand goods company M.H. Lissauer & Co. in January 1938, he halved it from 20,000 to 10,000 RM, and in the sale of the Rudolf Reich company, a manufacturer of white lead and wood turpentine, he cut out 60,000 RM from the contracted price, against the will of the buyer (2002, p. 151).

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<sup>76</sup> ‘Regional’.

Businesses had their profits capped, and any excess was redirected to the State. Jews were written out of the books, just like a number erased, and with that their financial *bios* was removed. This reinforced Funnell's idea that the "essentially calculative nature of accounting drained from the objects of its calculations features which were not amenable to measurement and reporting in a numerical format" (1998, pp. 458-459). Ultimately, accounting was part of the exclusion and *exception* creating process of thanatopolitics that resulted in the financial death of the Jews. Within the corporative, thanatopolitical and fascist State, there was another element that impeded business activity during Aryanisation: the process of Nazification.

#### 6.4 Aryanisation or Nazification?

Similar to the infiltration of the accounting profession with the policy of *Gleichschaltung*, the German businesses were infiltrated with Nazi members (or sympathisers). The Nazi State did not just seek to remove Jewish influence from business, it sought to 'Nazify' German businesses by replacing managers with Nazi party members. Thus the policy of Aryanisation served two purposes: the exclusion of the Jew from the German economy (resulting in their lost financial *bios*) and further penetration of the economy with Nazi influence. This serves as another example of the hidden agendas of the Nazi State, which also served to work against the rationales of business capitalism.

The primary concern in the Nazification movement was to promote Nazi ideology, rather than to secure business interests. The State used Aryanisations to create a capital surplus, and then to place Nazi figures into management positions which created further impediments to normal business activity, actions sanctioned by the accounting profession. "When representing Jews, accountants were to work for the good of the Party over the personal benefit of a Jewish client" (Lippman & Wilson 2007, p. 294). Essentially, this redirected the accountants obligation

from the client to the State. Neoclassical economic rationales were subordinated to Statist-political rationales through accounting techniques. Marchiaro explained that:

the distinction among capital, labour and entrepreneur remuneration is the major problem accounting has to solve as a consequence of rules of corporative law, aiming at assessing if a company is profitable...for the National Economy (1935, p. 225).

Cost accounting became vital for corporative and autarkic economic policy (Donnini 1938; Santarelli 1938; Trovati 1938) and to ensure efficient use of resources, particularly in conjunction with rearmament aims. The Nazis set up elaborate audit systems, bolstered in 1942 by the *Audit of Dejewification Transactions* decree, and controlled by the auditing offices of the NSDAP (Nuremberg Source 5138). Every excess RM of profit made by companies was requisitioned by the State in accordance with the *Excess Profits Act* (1939), which had been designed to increase State revenue in preparation for war. All of this points to the Nazification of the accounting and audit processes of business.

The Nazi corporative economy destroyed the basic notions of private capitalism by eliminating freedom of trade, contract, association and markets (Schweitzer 1964, p. 99). Ceccherelli argued that “in the economic and commercial sciences system, the corporative economy forms an agile bridge between abstract concepts and concrete reality” (1934, p. 34). Thus, the economy was deployed as part of the thanatopolitical objectives of the Nazi State. The State-centric corporative economy allowed for Nazi State intervention in the private business sphere. Post-war, the Allied countries were quick to de-Nazify Germany after recognizing infiltration of Nazis and Nazi ideology throughout German companies. For example, I.G. Farben was broken up into various divisions, including Bayer and BASF, that still operate today (Hayes 1987, p. 377). As will be revealed in the case studies, the dual aims of Aryanisation and Nazification were imposed in and through German businesses. It wasn't enough for the State to direct the actions of the Aryan businesses – it also wanted State representatives on the boards.



## 6.5 Aryanisation and the *state of exception*

One of the most important features of the *state of exception* was that its demarcation from the civil sphere was indistinct (Agamben 2005) and constantly in motion (Agamben 2005). What one day constituted the civil sphere, could the next form part of a *state of exception*. This was exemplified in Germany, where the suspension of rights was initially in response to the communist threat. Therefore, the original inhabitants of the *state of exception* were the communists. Over time, and with the implementation of various legislative instruments and promotion of Nazi racial ideology, the boundaries of the *state of exception* widened to include additional 'Others.'

In addition to the indistinct boundaries between the civil sphere and the *state of exception*, other traditional boundaries were blurred by the suspension of rights following the 'emergency'. The ability to declare a *state of exception* provided the sovereign with a pretext to extend executive power into the legislature, with an uncontested force of law that encroached into the sphere of actual law – the judiciary (Griffin 2010, p. 283). The separation of powers that defined liberal democracy (which was ostensibly the foundation of the Weimar Republic that the Nazi regime was built upon) entered into a zone of indistinction (Agamben 1995, p. 4).

The *state of exception* was a dynamic space throughout the 12-year Reich, and the use of Aryanisation to place people within the *exception* was successful in making their lives invisible and of no value. There were primarily two contributing features of Aryanisation that led to the exclusion (and therefore *inclusion* within the *state of exception*) of the Jewish population. The first was the numerous laws preventing Jews from continuing employment within certain sectors such as the civil service, journalism, medicine, law, real estate, and executives of business. The most severe legislation was the *Law for the Restoration of the Professional Civil Service* (1933). It was clear that the Nazis were trying to remove Jews from any profession with the ability to resist Nazi ideology. If there was no representation within the civil service, the

media, law or business the Nazis could stifle opposition. This also meant that the Jews were unable to sustain an income in a vast range of professions, leaving them in a difficult and financially vulnerable position.

The second feature of Aryanisation was the transfer of businesses and property from Jewish ownership to Aryan possession (Feldman & Seibel 2005, p. 47). This was done on a 'voluntary' basis until 1938, when *The Decree on the Confiscation of Jewish Property* (1938) and *The Decree on the Exclusion of Jews from German Economic Life* (1938) legalised and enforced Aryanisation. Prior to 1938, various State and industry led boycotts, increasing anti-Semitic action (most notably during *Reich Kristallnacht*), and anti-Jewish legislation such as *Law Against Betraying the German National Economy* (1933) and the infamous *Nuremberg Laws* (1935) infringed upon Jewish life. This meant that Aryanisations were 'voluntary' before 1938, where increasing pressure from the State, the public and other businesses was placed on Jewish businesses to sell without any consideration for goodwill. After 1938, Jewish owners were faced with 'forced' Aryanisations and received little or nothing for their businesses, leaving them destitute and unable to flee without financial means.

This chapter demonstrates, through the use of case studies, the gradual move toward forced Aryanisations and the increasingly vulnerable and precarious position Jewish business owners were placed in. Early case studies demonstrate how Jewish owners sensed the imminent danger, but still tried to maintain financial stability through continued employment. In some cases the Aryan businesses would attempt to reward good business acumen. However later case studies show the increasing disregard shown by acquirers for the Jewish business owners, as Aryanisations tended toward predatory acquisitions. What is most apparent in these case studies is the increasing lack of concern on a human level for the Jewish owners. As the State made its racial eliminationist ideology more visible, the human impact of the Aryanisations was made less visible and accorded less value. These case studies point to the role of accounting in

Aryanisations and highlight the invisibilities and nonvalues attributed by accounting, and in doing so, address the human consequences of Aryanisation.

It is important to note that testimony does not feature in chapter six. Testimony regarding Aryanisation was difficult to gather, no doubt because many of the victims either perished or faced horrific ordeals by the end of the Holocaust. Thus, when testimony was recorded, the survivors tended not to focus on the conditions before transport to and internment in the concentration camps. The next three sections explore the Aryanisation and Nazification process in terms of three companies, namely Degussa, Deutsche Bank and I.G. Farben. Each section provides a brief outline of the companies and their involvement with the Nazis, followed by more detailed case studies of the Jewish businesses taken over by the companies.

## 6.6 Degussa

Degussa (The German Gold and Silver Separation Institute Inc.) began in 1873 as Roessler (AG Deutsche Gold-und Silber-Scheideanstalt vormals Roessler) before adopting the acronym Degussa in 1943 (Hayes 2004, p. 1). For the purposes of this thesis, the The German Gold and Silver Separation Institute Inc. will be known as 'Degussa' from its historical inception through to the modern-day corporation. Just prior to the Depression in 1927, Degussa was ranked sixty-fourth out of the largest German industrial entities and tenth among chemical firms, with a stock capitalization of 23 million marks (Hayes 2004, pp. 1-2). After suffering considerable losses during the Depression, Degussa made a strong recovery, primarily due to what Hayes described as "the fortuitous extensions of its cyanide operations associated with the

[name] Degesch<sup>77</sup>..." (2004, p. 6). Prior to this, Degussa had also profited from its role producing pest control substances for use during World War I (Hayes 2004, p. 6).

After the rise of the Nazis, "Aryanisation largely contributed to growth in their books" (Hayes 2004, p. 16) and "much of the gold and silver extorted from Europe's Jews or ripped from their corpses passed through Degussa's refineries, as did some of the far larger quantities of precious metals plundered from the treasuries and citizenries of occupied Europe" (Hayes 2004, p. 2). The refined gold was used to pay for war materials from Portugal, and the silver used to finance Germany's Luftwaffe by selling it to manufacturers of film (Hayes 2004, p. 2). Degussa became integral to the war effort:

Germany's warplanes also depended on Degussa's cyanide output for the Plexiglas that girded their cockpits, on Degussa's sodium for the tetraethyl lead in their fuel, and on Degussa's rare metal alloys for some of their propellers and engine parts. Later, Degussa's hydrogen peroxide helped propel German torpedoes and U-boats, the V-rockets that Hitler launched against England, and the jets that he hoped would turn the tide of the war. On the ground, German troops rode on tires made with Degussa's carbon black, carried gas masks turned out by Degussa's Auergesellschaft subsidiary, deployed equipment fabricated from Degussa-hardened steel, and fired anti-aircraft shells that contained explosives from Degussa-managed installations. The Zyklon B was used to asphyxiate some one million people at Auschwitz and Majdanek was a Degussa product (Hayes 2004, p. 2).

Degussa's steady growth in supplying war products and participating in Aryanisations saw solid growth in sales and net profits, reaching its zenith in 1942/3 (Hayes 2004, p. 17). When the tide of the war turned for Germany so did the success of Degussa. Despite Ernst Bernau (Head of Degussa's Financial Department) calculation that losses during and because of the war amounted to 119.6 million RM, at the end of the war Degussa's "capital assets were still worth nearly three times as much as at the time of the currency stabilisation more than twenty years

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<sup>77</sup> See chapter eight.

earlier, and the total property on its balance sheets nearly four times as much” (Hayes 2004, p. 17).

Degussa’s participation in the Nazification of Germany, the facilitation of the financial desecration of the Jews, the use of forced labour, and the supply of the gas that exterminated millions, meant that Degussa was enmeshed within the Nazi operations in Germany. This position, however, was often in conflict with the tendencies of the company. There existed a constant tension between the ideological needs of the Nazi party (and with it the rigorous and constant oversight involved) and the good business sense and profit-oriented goals of the board. As will be shown, the firm initially flouted the protocol for Aryanisations in favour of paying good business owners with goodwill, recognising the intrinsic value of the owner’s skill in the business. As time and the Nazi agenda progressed, opportunities for recognising and rewarding the goodwill in businesses became superseded by the drive to force Jews from economic participation. While Degussa was, at first, opposed to this idea, the opportunity to purchase thriving businesses for a fraction of the price was far too attractive for it to refuse. The erosion of Degussa’s executives’ moral code was evident and highlights the gradual erasure of the *bios* of the Jews, as Degussa sought the course of least resistance. As Hayes pointed out, “in all societies, but especially in dictatorial, arbitrary, and closed ones such as Nazi Germany, power holders rely and capitalise on these inducements to self-centredness, self-delusion, and self-defence” (2004, p. 19). In Nazi Germany there were two tiers of power holders. The first was occupied by corporations that fuelled the economic growth of Germany post-Depression era. The second was Hitler and the Nazi Party, which supervised, infiltrated, influenced and intruded on the first tier at every opportunity, in order to extend the anti-Semitic ideology throughout society and the business community. “Nazism could live up, as a result, to its totalitarian aspirations by weaving itself into the warp and woof of Degussa factory life...and generally saw to it that the symbols and rhetoric of National Socialism were omnipresent” (Hayes 2004, pp. 26-37); even internal documentation was signed off with the obligatory ‘Heil Hitler!’

Degussa faced an uphill battle with the Nazi Party from the outset, fighting the preconception of being a 'Jewish' firm. In late March 1933, just prior to the national boycott of Jewish-owned businesses, Degussa's head office sought to cement its 'Aryan' status:

by issuing a notarised announcement to all branches and sales agencies. It proclaimed, 'that the entire managing board of our enterprise is purely of the Christian faith, that our firm has never employed Jews since its foundation in 1873, and there are also today among its approximately 1,150 workers and about 700 commercial and technical employees and graduates no adherents to the Jewish faith.' If true, the policy and statistics attest to a considerable degree of exclusion on the part of a company headquartered in a city where Jews constituted roughly 5 per cent of the population in 1933 and in a country whose constitution had guaranteed equality before the law since 1867 (Hayes 2004, p. 38).

This declaration was the first of a series of actions taken by Degussa in efforts to appease the State as it transitioned "from cooperation to complicity" (Hayes 2004, p. 147). Degussa soon sought to not only define itself as 'Aryan', but also as 'Nazi.' This, coupled with its later involvement in forced/slave labour and gas chamber killings, implicated the corporation in the mass murder of millions of people.

Despite Degussa's initial resistance to Aryanisation, "between 1933 and 1944, Degussa expended approximately 18 million RM, a sum equal to about half of the firm's total capitalisation at the outset of the Third Reich, on the acquisition of formerly Jewish-owned property – a key component of what the Nazi regime dubbed 'Aryanisation'" (Hayes 2004 p. 74). Based on the surviving records it is uncertain how much these forced takeovers improved Degussa's financial position, however Hayes argued that:

there can be no doubt that Aryanisation contributed appreciably to the corporation's short – and long-term success. All but two of the enterprises taken over returned substantial profits during the 1930s and 1940s; most of them remained in Degussa's possession through the 1950s, and three of them, along with at least one of the stock packets, still did at the end of the twentieth century (2004, pp. 74-75).

The process of Aryanisation started well before it was made compulsory in April 1938, and only eleven of the twenty-five Aryanisations in which Degussa participated were forced (Hayes 2004, p. 75). While there was rampant exploitation of Jewish businesses, there was also thorough scrutiny from the Nazi party to ensure that any benefits accruing from the Aryanisations of businesses were not filtering through to Jewish owners, and that excess profits were redirected to the Reich. In the context of a corporative economy, Degussa had little choice but to become more ruthless in its takeovers if it wished to remain profitable, operable and free from increased Nazi oversight. By 1945, Degussa had seen an increase of 41 percent of holdings, with capitalisation increasing from 500,000 RM to 1.8 million RM (Hayes 2004, p. 86). Hayes surmised that “there can be little doubt that the balance sheet of Aryanisation remained positive for Degussa long into the post-war era” (2004, p. 110).

As previously mentioned, Degussa struggled to balance the capitalistic objectives of the firm with the ideological aims of the State. One such example of this tension lies in its precious metals operation, which Hayes described as an “almost textbook illustration of how Nazi goals distracted the parameters of commercial activity, challenged bureaucrats and executives to improvise means of doing their perceived jobs within these, and this increasingly channelled corporate ambitions into the service of the regime’s exploitative purposes” (2004, p. 148). Degussa’s precious metals operation was apt for politicisation. It was the linchpin in a crucial but heavily import-dependent industry, and participated in “formal leadership of every major cartel agreement governing German precious metallic input and semi-finished output” (Hayes 2004, p. 152). Despite Degussa’s consistent and thorough efforts to broker the needs of the government and individual firms - collecting supply and production data, persuading the regime not to encroach on their inventories and alerting them to ways of stretching the nation’s gold and silver supplies - the Nazi Party continued to conduct recurrent audits and systematic checks of Degussa’s activities (Hayes 2004, p. 155). As the policy of autarky closed Germany’s import borders, scarcity of resources forced a “strict accounting for amounts dispensed, reclaiming of

unused portions, call-ins of metals-bearing items (e.g. coins), price controls, prohibitions on the possession or manufacture of certain goods, and the establishment or expansion of mechanisms and agencies to enforce all these measures” (Hayes 2004, p. 156). The requisitioning opportunities for gold, silver, and platinum were presented through the wealth of Jewish citizens as a means to bolster internal stockpiles, and the related policy became known as the ‘Jew Metal Action’. Following the pillage of the *Anschluss* and the destruction of *Kristallnacht*, the State had identified a new stream of revenue and authorised the use of precious metals as payment for the *Ordinance on the Restoration of Street Scenery at Jewish Commercial Centres* (1938). In a thinly veiled forced confiscation action, the State forced surrender of all remaining precious metals possessions through State-run pawnshops under *The Decree Concerning the Surrender of Precious Metals and Stones in Jewish Possession* (1939) (Hayes 2004, p. 159), which were then sold to companies such as Degussa. Degussa showed an indifference to the source of the raw materials, which “functioned as a necessary condition of the precious metals sector’s rising fortunes during Hitler’s war” (Hayes 2004, p. 169).

Degussa primed itself for an influx of precious metals, which would alleviate “the prevailing underutilisation of the refineries and undersupply of consumers” (Hayes 2004, p. 160). This was at one point, perhaps, realistic following the *Anschluss* “when some enormous quantities of precious metals plundered from Jews quickly began passing through...Vienna’s principal pawnshop” (Hayes 2004, p. 160). However, Degussa still underestimated the interference of the State into every facet of the business world. The State heavily restricted Degussa’s share of what was recorded as ‘Jew silver’ in accounts “to an artificially low level” (Hayes 2004, p. 161), which was a concession the firm was willing to make to replenish its critically low stock levels. Before an agreement was reached, the State put “their own balance sheets, especially with regard to foreign exchange, ahead of the industry’s profit and loss calculations” (Hayes 2004, p. 161). The priorities of the Nazi State subordinated the needs of the business and economy.



Halfway through the 'Jew Metal Action', various firms faced an uncertain future as the Nazi regime reneged on their agreements (Hayes 2004, p. 161). This occurred long after firms had arranged loans to purchase the metal that was now being withheld from them. The interest costs started to cripple the firms, but they remained at the behest of the *Oversight Office and of the National Agency for Precious Metals*. What revenue they could earn from selling gold was limited to "the smelting fee and a margin of 4 to 6 percent, which was designed to cover their distribution and interest costs, over their payments to the pawnshops" (Hayes 2004, p. 162). Once expenses were covered the remainder was passed to the Reich Finance Ministry, further evidence that the profit seeking goals of Degussa were again thwarted by the Nazi party (Hayes 2004). While the procedure for 'Jew silver' was more complicated, the "net result was identical" (Hayes 2004, p. 162). By the last sales of silver and gold in 1943 the State had received 10 million RM in revenue (Hayes 2004, p. 163).

Degussa confessed its role in the redistribution of 'Jew silver' in post-war restitution cases, noting that:

[a] our share must altogether have been between 50 and 60 percent; and b) that share rose in the course of the action as the other refineries concluded that the low profit margins provided were inadequate recompense for the bother of collecting the metals from the pawnshops and of holding them until the government instructed their release (Hayes 2004, pp. 165-166).

Hayes outlined that "with regard to gold, the story was similar, but with more extreme effects. By the fall of 1940, Degussa held at least 825.7 kilograms obtained through the action and was 'the only refinery that was still ready to accept any more Jew gold at all'" (2004, p. 166). By August 1941, "the corporation informed the German Commissioner for Pricing that 1,113 kilograms of pure metal had been produced at Degussa's facilities in consequence of the 'Jew Metal Action', and a post-war estimate raised that figure to approximately 1,200 kilograms" (Hayes 2004, p. 166). This comprised around 80 percent of the estimated total amount of gold

surrendered to the pawnshops. The firm still failed to capitalise on this market, with low profits and the production from raw inputs decreasing steadily from 1935 to 1940 (Hayes 2004, p. 344). Hayes estimated that given the refining and handling fees, “Degussa probably collected about...25,000 RM for purifying the gold, 180,000 for selling it at an average mark-up of 150 RM per kilogram, and almost 72,000 in the form of the interest subsidy from the Reichsbank – altogether, approximately 494,000 RM” (2004, p. 166). While Hayes estimated these sums based on surviving documentation, the figures indicated that the profits from plundering gold from the Jews fell short of Degussa’s initial expectations, and were insufficient to carry the firm through the policies of autarky and armament (2004, p. 166). Overall, the ‘Jew Metal Action’ was futile, depriving the Jews of their valuables and possessions with little overall gain to the industry or to the Reich.

Degussa was placed into a dangerous and difficult situation with the ascension of the Nazi party. It was a firm largely grounded in good business sense and a drive for increasing profits (Hayes 2004). It had to contend with Nazi ideology where economic considerations were always secondary. In cases where the State could see benefits for the economy, it would extort from the Jews any wealth it could through legally sanctioned means. If at any time this conflicted with their primary *Judenrein* concern, the economic principle was expunged, even to the detriment of the State, economy and business. In the end, “Degussa played a largely reactive role in the Nazi war economy and a modest part in the New Order in Europe...and in the process...became caught up in the most vicious of the regime’s crimes: the exploitation of labour from across Europe and, in particular, the torture and murder of the European Jews” (Hayes 2004, p. 235). Degussa utilised Aryanisation and the precious metals confiscated from Jews with the hope of achieving “a scale, significance, and a degree of commercial and political security” (Hayes 2004, p. 18) which was ultimately fruitless.

Three case studies depicting Degussa's Aryanisations are presented in the following: first the Chemisch-Pharmazeutische Werke AG, then Degea AG and finally Hydrocarbon KG.

#### 6.6.1 Degussa and the Chemisch-Pharmazeutische Werke AG (Homburg)

Chemisch-Pharmazeutische Werke AG, Bad Homburg (Homburg), was founded in 1920 by Arthur Abelmann and operated predominantly as a manufacturer of medicinal preparations (Hayes 2004, p. 77). After the Nazis gained power in 1933 and with the 'suspension' of the Constitution, Homburg came under immediate attack due to its Jewish ownership and control. "Both the Doctors League of Greater Berlin and the Association of Doctors and Public Health Insurers declared a boycott of 'Jewish' products, which saw 'the company's sales drop by 30 to 40 percent'" (Hayes 2004, p. 77). This, coupled with the restrictive *Reich Flight Tax* (1931) and *Law Against Betraying the German National Economy* (1933) (Anti-Semitic Legislation 1933-1939, USHMM 2018), exposed Abelmann to a potential loss of financial life. Abelmann recognised that while he was "outside and yet belonging" (Agamben 2005, p. 35) to the German economy, he could no longer be the owner of the business. As an employee, however, he may have been able to avoid exclusion as a Jew. Abelmann sought Degussa's intervention after other attempts to hide the Jewish nature of the business had failed to restore the 'Aryan' status. Having previously dealt with Degussa as a customer, he approached Degussa in May 1933 offering a 51 percent stake in the business (Hayes 2004, p. 77). Ernst Busemann, chair of the Degussa managing board, went to the Homburg plant and, while impressed with its facilities and finances, asserted that the main asset of the business was Abelmann himself, and that any new ownership arrangements must preserve the "complete freedom of action and initiative" of Abelmann (Hayes 2004, p. 78).

Degussa's attempts to retain the expertise of Abelmann contrasted with the *make die* aims of the Doctors League, of the Public Health Insurers, and of the State, which had imposed

regulation with thanatopolitical imperatives. From a thanatopolitical standpoint, the State no longer saw the benefit of Jewish owned or managed companies. Degussa, on the contrary, understood that for shareholder wealth and profit maximisation, its best chance was to retain Abelmann. Tension existed between the thanatopolitical imperatives of the State and the economic imperatives of Degussa. Despite the State imposing legislation that would ostensibly promote the economic life of Degussa (*make live*) and *make die* Abelmann, Degussa chose to resist this by supporting the economic livelihood of Abelmann.

Degussa, however, was hesitant about the response to the Hamburg acquisition from one of its suppliers, I.G. Farben. It was possible that I.G. Farben's Bayer division would see this acquisition as a direct threat, and that a lucrative deal Degussa had with the division regarding the supply of sodium could be terminated (Hayes 2004, p. 78). Busemann and the other Chair of Degussa's managing board, Hermann Schlosser, met separately with I.G. Farben officials, including Wilhelm Rudolf Mann Junior, the sales director of Bayer and the only member of I.G. Farben's managing board to have joined the NSDAP prior to Hitler's accession (Hayes 2004, p. 78). Mann represented the Nazification of I.G. Farben management. Mann "informed the Degussa executives that his firm, of course, would have to be cut in on the purchase of at least half the stock Abelmann sold, that this should come to a secure majority (i.e. around 60 percent) of Homburg's shares, and that I.G. should be able to name the principal business manager" (Hayes 2004, p. 78). Mann also made it clear that his recent appointment as chairman of the Pharmaceuticals Association (another instance of Nazification) meant that he saw Abelmann's continued employment as a threat to the future viability of the company as 'Aryan' (Hayes 2004, p. 78). Mann was clearly more dedicated to enforcing the *ban* imposed by the legislation as part

of the existing Nazi ideology. The *ban* sought to include the Jews within the *nomos*<sup>78</sup> of the law by excluding them from economic and political life.

Over the ensuing months, the manoeuvres of Mann to absorb Homburg into I.G. Farben at a bargain price were unsuccessful (Hayes 2004, p. 78). In 1933 the more severe legislation restricting Jewish businesses had yet to be passed, and as such Mann's attempts to persuade Degussa to reduce the sales price were unsuccessful. Degussa was determined to buy out Abelmann at a fair price, "which included an allowance for the owners' lost earnings over the next five years and came to between seven and eight times the face value of the stock" (Hayes 2004, p. 78). Despite the Nazi beliefs that had begun to permeate German society and the economy, Degussa appeared determined to reward Abelmann for what it perceived to be business acumen. The contrasting motives of Degussa and I.G. Farben were highlighted in their interactions with Abelmann. Degussa was performing according to the way business had operated prior to 1933, by adequately compensating owners for goodwill and compensation for their business. I.G. Farben was aligned with the *exception*<sup>79</sup> distinction provided by the Nazis, which stemmed from closer interaction and collaboration with the State as the country's largest company. While I.G. Farben was aware that Abelmann would be left in a vulnerable position if its deal was accepted, it is suggested that it ignored the human side of the transaction.

Preparations for the sale of Homburg began in March 1933, and by August Mann was arguing that the Pharmaceuticals Association "was about to require all State health insurers, which accounted for some 60 to 70 percent of Homburg's sales, to purchase only from purely German firms" (Hayes 2004, p. 79). Mann persuaded Degussa that it and I.G. Farben would now have to take "over 76 percent of Abelmann's company, and that Abelmann could not be kept on

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<sup>78</sup> *Nomos* is used frequently throughout Agamben's work (1995; 2005). Agamben uses *nomos* to designate the provisional codes of social and political behavior that are the foundation for law. *Nomos*, in other words, refers to the paradoxical union of violence (*Bia*) and justice (*Dikē*) exemplified in the *state of exception* (Agamben 1995, p. 31).

<sup>79</sup> I.e. the Jew as the *exception* to the norm.

in any capacity at the factory, lest Degussa and I.G. be accused of camouflaging Jewish influence” (Hayes 2004, p. 79). Degussa’s attempts to provide Abelmann with financial means were failing, and it was clear that his role in the business, at least insofar as it was in Germany, had come to an end. As a result, both Degussa and I.G. Farben’s capital in Homburg was increased, as they paid 803,824 RM (Hayes 2004, p. 337), which reflected the *make live* imperative for German firms.

Given that Abelmann sold in 1933, well before the more onerous legislation was enacted, he was not under heavy financial restrictions regarding emigration. His Flight Tax was waived (Leo Baeck Institute 2012). His later emigration to Switzerland was effectively a forced deportation. Despite his deportation, Degussa appointed Abelmann as Homburg’s western and southern Europe, Egypt and Palestine sales agent, under salary and pension terms at a rate of 427,000 Swiss francs to be paid to him and his heirs until 1948 (Hayes 2004, p. 79). This ensured that his exclusion from German economic life and decreased wealth were tempered, by the retention of his financial *bios* through the foreign employment with Degussa. Abelmann’s descendants would later seek restitution claims with Degussa and I.G. Farben from the United States, where they emigrated after his death in 1934 (Leo Baeck Institute 2012).

#### 6.6.2 Degussa and Degea AG

Degea AG (known after the sale as the Auergesellschaft or *Auer*) of Berlin, was a “manufacturer of heating and lighting equipment, assorted (especially radioactive) chemicals, and gas masks” (Hayes 2004, p. 80). It was owned by a racially Jewish man<sup>80</sup> named Alfred Koppel, who “according to the schema of the sovereign *exception*, law...holds him in its *ban* in

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<sup>80</sup> Koppel had converted to Protestantism but was still considered Jewish by the State as part of its racial ideology that assigned race to religion in the form of the Nuremberg Laws (Hayes 2004, p. 80).

abandoning him outside himself” (Agamben 1995, p. 50, emphasis added). Koppel was intent on reversing the damage of the Depression and re-establishing his business through military contracts (Hayes 2004, p. 80). After the Doctors League of Greater Berlin and the Association of Doctors and Public Health Insurers declared a boycott of ‘Jewish’ products, Koppel sought to sell a 51 percent stake in Degea, in the hopes of circumventing the boycott and re-branding Degea AG as an ‘Aryan’ company. The effects of this boycott were magnified by the *Law Against Betraying the German National Economy* (1933) (Anti-Semitic Legislation 1933-1939, USHMM 2018). Koppel was forced to find an Aryan majority shareholder to ensure his company would survive the Nazi regime while his *ban* was in force.

Degussa already had dealings with Degea, in that:

Degussa’s HIAG division supplied charcoal for Auer’s gas masks; Auer provided Degussa with rare, often radioactive metals, ores, and derivatives of them; and the two firms had made a handful of agreements demarcating their respective interests in certain products (Hayes 2004, pp. 80-81).

In July 1933 Degussa was made aware that 51 percent of Degea was up for sale, but it was initially hesitant since the purchase would not be lucrative. Fritz Roessler, a member of the Degussa supervisory board, as well as Busemann, thought the prospect unattractive and if “it could be done it must be done cheaply” (Hayes 2004, p. 81). At this point, Degussa was not interested in any avenues to assure the financial *bios* of its owner Koppel, without incentive for the firm.

However, after visiting Degea’s Oranienburg plant in mid-September, Busemann saw investment potential. Auer offered an opportunity to shelter capital, buttressed by the prospect of lucrative government orders. Busemann now saw firsthand “how extraordinarily favourable the relationship of the [plant manager] to the military authorities is” (Hayes 2004, p. 81). On entering into negotiations to take over and ‘Aryanise’ Degea, Busemann was reluctant to offer

Koppel what he had Abelmann. Koppel's financial *bios* was threatened by his *inclusive exclusion*, effected by legislation and organised boycotts. It was agreed that Degussa would purchase 51 percent of the shares, with the option to purchase the other 49 percent should Koppel choose to sell – an inevitability in the eyes of Degussa. Busemann extended an offer for Koppel to remain financially viable via employment in the enterprise (Hayes 200, p. 81). This went against the spirit of the 1933 employment laws as “the *exception* is what cannot be included in the whole of which it is a member and cannot be a member of the whole in which it is always already included” (Agamben 1995, p. 25). Koppel initially demanded a price of 130-150 percent of par as well as “a veto right over policy, especially an assurance that he could block the firm from ever producing poisonous gas” (Hayes 2004, p. 81). By October 1933 an agreement was reached, and Degussa paid 130 percent and guaranteed Koppel's position until 1953. This desire to include Koppel, despite his *ban* and the Nazi imperative to *make die* the Jews, can be accredited to Busemann's understanding of Koppel gained through the protracted negotiations. In contrast to his earlier thoughts, Busemann described him “as an uncommonly appealing and distinguished person” (Hayes 2004, p. 81). Degussa was attempting to expand its own operations for a relative bargain, while ensuring Koppel maintained his financial life.

Degussa's attempts to employ Koppel were quickly confronted by the policy of Nazification (Hayes 2004). When Busemann first met with military contacts, who were a vital component of Degea's prospects, he noted “it is astonishing how strong the desire is, even from the Defence Ministry, to ascertain the Aryan quality of Degea and its principal stockholder” (Hayes 2004, p. 82). Faced with the loss of a prospective order for 1.3 million gas masks, both Koppel and Busemann realised their agreement would soon be untenable (Hayes 2004, p. 82). Koppel could not comply with the Nazification demands of the State. Facing increased anti-Semitism and more financial uncertainty, Koppel went back to Degussa to sell his remaining shares, in an effort to retain his financial *bios*. By May 1934, Koppel was preparing to leave Germany, in what can only be described as a forced deportation (Hayes 2004). With the *Reich*



*Flight Tax* (1931) climbing ever higher, Busemann realised Koppel was not in a strong bargaining position and saw an opportunity to own the entirety of Degea for a bargain purchase. In just the space of a few months, Degussa had embraced Nazi ideology for the benefit of its business. When the lacklustre offer was made to Koppel, he threatened to take the sale to I.G. Farben, to which Busemann “calmly expressed disinterest and wished him luck” (Hayes 2004, p. 82). In June, Koppel finally relented, and Degussa purchased the remaining shares. This expanded Degussa’s holdings to a fully-owned subsidiary, and effectively supported the *ban* on Jewish business. Meanwhile Koppel was left with only “60 to 75 percent of the proceeds on the sale” (Hayes 2004, p. 83), after the various taxes imposed on fleeing Jews (*make die*). Just a few months after Koppel left Germany, Degea began manufacturing poisonous gases (Hayes 2004, p. 83).

The Nazi attempts to remove the financial *bios* of Koppel were ultimately successful, however it could be said that its thanatopolitical imperative had been somewhat effective in *making die* Jewish businesses and *making live* Aryan businesses. Once Degea was rebranded as he Auer, its business grew rapidly so that it soon eclipsed the size of Degussa itself (Hayes 2004, p. 83). From the date of purchase to the outbreak of war, the Auer proved profitable. Extracts from financial statements show equity on the balance sheet rose from 8,688, 000 RM to 27,101,000 RM, or 67.9 percent and net profits rose from 425,000 RM to 846, 000 RM, or 49.7 percent (Hayes 2004, p. 339). Highlighting Degussa’s contribution to the Holocaust, gas defence sales rose from 78 percent (acquired after Aryanisation) to 90 percent by the financial year 1938/39 (Hayes 2004, p. 339). The absorption of Degea AG into Degussa increased Degussa’s involvement with State military efforts, which further enmeshed Degussa as an agent for the State, and aligned business goals with the political aims in the corporative economy. The encroachment of the military<sup>81</sup> into the private business sphere continued the Nazi State along

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<sup>81</sup> Through military production contracts.

the path of the “single juridical phenomenon that we call the *state of exception*” (Agamben 1995, p. 5). With each business Aryanisation the boundaries of the *state of exception* were intruding further and further into the civil sphere and capturing more and more within the gamut of the *exception*.

The Degea history continues in chapter seven, where the loss of Jewish political life is discussed in terms of forced/slave labour. Degea ultimately proved to be a worthless enterprise for Degussa in the long-term (Hayes 2004, p. 93), further demonstrating the tension between the needs of shareholders and the demands of a dictatorial State, and the unprofitability of Aryanisation measures. By Nazifying Degea and removing Koppel, the State damaged this capitalist enterprise irreparably.

### 6.6.3 Degussa and Hydrocarbon KG

The acquisition of Hydrocarbon KG (‘Hydrocarbon’) by Degussa in 1937 demonstrates how the overarching Nazi ideology overrode the ‘business’ of capitalism. Effectively, the German State was harming its own Aryan businesses and the country’s economy in the quest to eradicate Jews from every facet of economic life. Despite the operation of a corporative economy, the primary consideration in the Nazi thanatopolitical State was the eradication of the Jewish population. Hydrocarbon was owned by an Austrian Jew named Philipp Burger, and primarily manufactured carbon black<sup>82</sup> “from acetylene at a rather decrepit plant in Blankenburg near Berlin. Degussa had been the little firm’s sales agent to the rubber and printing industries from November 1933 until July 1935, thus masking it against the usual pressures on purchasing from non-Aryan enterprises” (Hayes 2004, p. 91). The acquisition of Hydrocarbon by Degussa, while

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<sup>82</sup> Used primarily as a filler in rubber-like products and as a dye, carbon black was a major component of Degussa’s manufacturing during the Nazi regime. With rubber primarily exported from colonized German East Africa, carbon black and subsequently Buna would become integral to autarky and the war effort.

seen as financially unattractive for Bernau<sup>83</sup>, was “motivated by the desire to head off intruders on Degussa’s emerging virtual monopoly over German carbon black production” (Hayes 2004, p. 91).

The sale offer, made by Burger to Degussa in 1937 was optimistic, considering the legislative restrictions surrounding the sale (including the *Reich Flight Tax* (1931) (now up to 81 percent), the *Law against Betraying the German National Economy* (1933), the *Denaturalisation Law* (1933), *The Reich Citizenship Act* (1935), the *Blood Protection Act* (1935) (‘Nuremberg laws’) and the *Executive Order on the Reich Tax Law* (1936)) (Anti-Semitic Legislation 1933-1939, USHMM 2018). Of utmost importance to Burger was that he could remain technical director of the plant (Hayes 2004, p. 91), thereby ensuring his economic livelihood through continued employment. Burger’s attempts reflect those of Abelmann, founder of the Homburg; Agamben would consider his actions as indicative of “being outside and yet belonging” (2005, p. 35) to Germany and the economy. Like Abelmann had in 1933, Burger tried to secure employment (and continued financial livelihood), but the Germany of 1937 had progressed much further in its explicit desire to exclude Jews from the German economy and Germany altogether. Burger fought to maintain his financial *bios* in the context of State initiatives to *make die* his financial *bios*. The only positive for Burger was that compulsory Aryanisation was not yet invoked.

Bernau, who wanted to acquire Hydrocarbon cheaply, also sought to close the gap “in our carbon black position, namely with regard to that made from acetylene, without having to expend much money on experimentation” (Hayes 2004, p. 91). Burger was offered 73 percent of the value of the firm’s balance sheet, as well as 30 percent of the gross income earned on foreign patents and a salary for his services over the next five years (Hayes 2004, p. 92). By then however, Degussa must have known that such an offer was untenable. Degussa’s long-standing policy of purging Jewish employees from businesses to achieve Nazification, as well as previous

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<sup>83</sup> Ernst Bernau was a member of the managing board from 1930-1948.

failed attempts to include Koppel (founder of Degea) on the payroll of Degussa, reinforced the impossibility of retaining Burger. Luckily for Burger, the deal was completed in April 1938, just prior to the host of compulsory Aryanisation laws that meant certain financial death in the *state of exception*. His fate after the deal is unknown.

Degussa, whilst now enjoying a carbon black monopoly, was struggling as Hydrocarbon was on the brink of collapse (Hayes 2004, p. 92). Several poor decisions regarding the management and geographic location of Hydrocarbon meant that Degussa saw no profit from the endeavour. Attempts by the State to proliferate Aryan business at the same time as exercising its *make die* agenda on the Jews, also meant exposing Aryan business to 'death' in its pursuit of Nazification. As Agamben explained "two opposite forces act, one that institutes and makes, and one that deactivates and deposes. The *state of exception* is both the point of their maximum tension and – as it coincides with the rule – that which threatens...to render them indiscernible" (2005, p. 87). Thus, the *state of exception* and the civil sphere were edging close to indistinction and to a point in which "the entire Third Reich can be considered a *state of exception* that lasted twelve years" (Agamben 2005, p. 2). A case such as Hydrocarbon exemplifies the capitalism defying logic of the Nazi State, where overarching racial ideology threatened the economy, the Aryan businesses within it, and the viability of the State itself.

The next section moves to a discussion of the second company involved with Aryanisation – the Deutsche Bank.

## 6.7 The Deutsche Bank

One of the defining acts of the Industrial Revolution during the 18<sup>th</sup> century was the creation of the joint-stock enterprise, moving business from private, family-held ownership into the public sphere of ownership. The Deutsche Bank was founded in 1870 (James 2001, p. 11), in

what was then Prussia, just months before the unification of Germany<sup>84</sup>. In just over 50 years the bank expanded to 173 branches across Germany, many of them in areas of thriving trade and commerce, with a higher concentration of Jewish owned businesses:

in Saxony, where there were many Jewish-owned textiles, leather and fur firms; in Silesia, where Jewish owners worked in textiles and also in heavy industry; in southwestern Germany with its craft traditions, where there were also extensive Jewish-owned manufacturing enterprises and where by coincidence the Deutsche Bank had acquired a particularly dense network of branches as a result of mergers with other banks (James 2001, p. 15).

Consequently, the Deutsche Bank had strong business and personal ties with many Jewish people in the years before the Nazi takeover. At the time of the Great Depression, the bank was facing tremendous backlash and accusations of being the cause of the crisis, blame that was shared with the Jewish community. This threw the whole structure of German banking into confusion (James 2001, p. 16). The Deutsche Bank found itself with a shortage of liquidity due to short-term foreign debt, financially distressed borrowers and an uncompromising, protectionist State. The greatest strength of Deutsche Bank had been its overseas financing, but “the dramatic reduction of world trade in the depression...[ensured] that the Deutsche Bank, along with all the other Berlin great banks, lost its share of the German banking business” (James 2001, p. 20).

This was not the only charge levelled at the banking industry. In the emergent and dynamic market economy post Industrial Revolution, finance capitalism and banking were seen as primarily a Jewish enterprise. Following the crisis of 1931, banks were seen as harmful to society and the economy which made:

the banks – including Deutsche Bank – vulnerable to attacks and... accused of being ‘plutocratic’ or ‘Jewish.’ One defence mechanism was to purge Jewish directors...Part of the price of State

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<sup>84</sup> Prior to the unification of Germany, the German Empire consisted of 26 States ruled by the wealthy ‘Junkers.’

reconstruction was a purging of the bank officials who were thought to have been responsible for the mistakes of the 1920s. The two purges – anti-Semitic and banking – came together (James 2001, p. 24).

This early warning of things to come particularly alarmed the spokesman for Deutsche Bank's managing board, who stated "I fear we are only at the beginning of a development that is deliberately aimed, in accordance with a well-thought-out-plan, at the economic and moral extermination of all members of the Jewish race living in Germany – quite indiscriminately" (cited in James 2001, p. 34). As anti-Jewish sentiment grew, a radical National Socialist works council was assigned to Deutsche Bank to politically pressure management to participate in the purge of Jewish influence from the economy.

Historically, banks had been involved in financing activities and industrial restructuring, and as the policy of Aryanisation was enacted, "the large-scale looting and expropriations undertaken in occupied Europe were merely particular instances of such industrial restructuring" (James 2001, p. 5). In regard to Aryanisation, the Deutsche Bank's role was primarily as broker, affording it an attractive new profit line. James claimed that the bank responded with a strategy that characterised their response to National Socialism:

on the one hand, they looked for business opportunities that would strengthen their individual competitive position; on the other hand, they looked to business solidarity as a way of establishing a united front against those aspects of the new policy that they felt to be threatening or unacceptable to their own interests (2001, p. 53).

This led to competition between banks, who saw opportunities to expand their customer base and their business. The profit to be gained from brokering was secondary to increasing their network of business relationships. In this competitive market, the Deutsche Bank had a standout advantage. As an international bank, it was able to "deal with the complexities of trade financing in a world of exchange control, with the consequence that firms with substantial foreign-trade

links were more likely to use the services of Deutsche Bank” (James 2001, p. 82). This made Aryanisations in German-occupied territories more apt for Deutsche Bank participation.

The removal of the financial *bios* of the Jews via the banks was furthered by an order from the Finance Ministry in 1939 to open and inventory the safes of Jews within the Deutsche Bank. Valuables of any kind, including precious metals, artwork or jewellery, which had been left by deported Jews, were to be sold to the German trading company Hadega. Later the Nazis ordered Deutsche Bank to report the assets of Jews who had perished in the concentration camps and “to block the accounts in favour of the Gestapo” (James 2001, p. 171). The Deutsche Bank became an instrument for redirecting the wealth of exterminated Jews back to the Reich (James 2001).

The ‘administration’ of bank accounts was major business for the Deutsche Bank, where “most of the true owners of this property were the murdered victims of the National Socialist genocide” (James 2001, p. 171); that is, those who had been *made to die* at the orders of the State. The State’s overarching aim may have been the eradication of Jews, but profiting by seizing financial assets was a valuable corollary to fund its war economy. The *state of exception* inhabitants were listed as ‘unstable creditors’ in Deutsche’s financial statements, and in 1943 the monetary amount from unstable creditors amounted to 94 million RM (James 2001, p. 171). This included ‘emigration monies’ and ‘resettlement accounts’ (of ‘expelled’ and ‘resettled’ [i.e. murdered] Jews) (James 2001, p. 171).

Not only did banks respond to State policy, they anticipated it (James 2001, p. 196). After the passing of *The Reich Citizenship Act* (1935) and the *Blood Protection Act* (1935), “the Deutsche Bank’s head office sent a circular letter to its branches, asking for lists of credits of over 20,000 RM to ‘non-Aryan’ businesses, and some bank branches went further and compiled lists of credit as well as debit customers” (James 2001, p. 196). The opportunity afforded to the banks revealed some interesting accounting measures, including in 1938 a “breakdown of profits

from transactions not regularly recurring. A sum of 936,812.87 RM was described as ‘special profits and brokerage fees in connection with Aryanisations, sales of securities and real estate, fees for listing on the stock exchange, trustees, mortgage brokerage etc’” (James 2001, p. 206).

James goes on to demonstrate the extent of the ill-gotten gains:

in 1939, the equivalent amount [of special profits] was 709,425.66 [RM]; in 1940, 415,497.68 [RM]; in 1941, the brokerage fees amounted to 153,963.51 [RM]; in 1942, 89,736.41 [RM]; and in 1943, 188,296.49 [RM] from mortgages and property and 99,088.10 [RM] from shares. In addition, further items are likely to represent direct or indirect profits from ‘Aryanisation’: it appears that particularly important or unusual cases were shown separately. In 1938, there was a special item of 213,310.16 [RM] representing special profits from shares of Simon Hirschland & Co. In 1939, the Krefeld branch showed a special profit of 264,424.20 [RM] from the acquisition of Joh. Girmes & Co. shares. In 1941, the special profit of 116,728.23 [RM] for H. Albert de Bary & Co. Amsterdam ‘due to various French loans’ probably reflects the acquisition of Jewish-owned shares in the occupied Netherlands (James 2001, p. 206).

The balance sheets of Deutsche Bank did not disclose the enormous wealth created by selling the shares of acquired Jewish businesses at an appreciated value as a consequence of Aryanisation (James 2001). For all of this, however, the Deutsche Bank barely profited from Aryanisation, undoubtedly because the State requisitioned Aryanisation funds to its own treasury under the *Excess Profits Act* (James 2001).

While an examination of the financial statements of Deutsche Bank uncover part of the story of Aryanisation, it fails on two accounts to deliver a faithful representation of its activities and transactions. First, for all its accounts of special profits, the bank was poorly compensated for its role in destroying the economic livelihood of past colleagues and friends. The published profits in 1938 showed a profit of 7,950,800 RM but the tax statements utilised for the State to receive taxation payments instead showed 36,573,900 RM (James 2001, p. 206). This suggests manipulation of the accounts in order for State-directed corporatism to function. James articulated that:



the fact that the bank was not primarily driven by profit does not, of course, make its actions any more justifiable. Indeed, it might be argued that transactions that fundamentally undermined trust in contracts, and that extended the arbitrary and capricious exercise of power, are discreditable enough by themselves – but even more discreditable when they cannot be legitimated in terms of the traditional logic of business decisions. Talk of simply going on with ‘business as usual’ in the extraordinary circumstances of Nazi Germany is thus inherently implausible, for there was nothing very usual about German business at that time (2001, p. 213).

Second, the role of Deutsche Bank in fulfilling the State policy of Aryanisation was no doubt “a vital element in a chain of exploitation and theft” (James 2001, p. 208). In earlier cases of Aryanisation, the bank helped individuals transfer assets abroad and paid them as much as was possible for the takeover of their businesses under Nazi policy (James 2001, p. 207). But in the space of just a few years, and with the ever-encroaching anti-Semitic legislation, the bank conformed to Nazi ideology by facilitating the *make die* agenda of the State. Ultimately, Deutsche Bank was integral to the brokering of Aryanisations, as well as the confiscation of bank accounts and safes, and the fact “that it was relatively poorly rewarded for these services does not lessen the extent of a moral liability” (James 2001, p. 208). While “the moral balance sheet is much harder to assess” (James 2001, p. 207), the case studies of Deutsche Bank Aryanisations as presented in the following (Bankhaus Mendelssohn & Co. and Simon Hirschland) highlight how the *make die* efforts of the State inevitably involved the cooperation and complicity of businesses and their managers.

#### 6.7.1 The Deutsche Bank and Bankhaus Mendelssohn & Co. Berlin

The Aryanisation of banks was treated somewhat differently to the Aryanisations carried out by private firms like Degussa. There were two main reasons for this difference: first, there were pre-existing close business and personal ties between the banks and their customers, and

second, the Nazis thought the banking industry was speculative and 'Jewish' in nature (James 2001, p. 67). This meant the Nazis held an inherent distrust of banks and as such exerted greater supervision and control over Aryanisations carried out in the banking sector. The banking sector thus found itself as the *example* (Agamben 2005) during the forced Aryanisations. Agamben outlined that "the *exception* is situated in a symmetrical position with respect to the *example*" (1995, p. 21). The difference between the treatment of the two is "while the *exception* is, as we saw, an *inclusive exclusion* (which thus serves to include what is excluded), the *example* instead functions as an *exclusive inclusion*" (Agamben 1995, p. 21, see also section 4.3.2.2). Conforming to their indifference to capitalist endeavours, the Nazis exhibited little concern for the continued existence of German banks (that is, to *make live*), and were explicit in their intentions to limit growth of the great banks.

Bankhaus Mendelssohn & Co. Berlin (Mendelssohn) was one of the oldest firms within the German banking sector, founded by Joseph and Abraham Mendelssohn<sup>85</sup>. From this distinguished lineage and as a contributor to German culture and economy, Mendelssohn was able to operate until 1938 without Nazi intervention, though concerns for the firm mounted as time went on. Mendelssohn was operating under the various anti-Jewish legislation including the *Reich Flight Tax* (1931) (now up to 90 percent), the *Law against Betraying the German National Economy* (1933), the *Denaturalisation Law* (1933), *The Reich Citizenship Act* (1935), the *Blood Protection Act* (1935) ('Nuremberg laws') and the *Executive Order on the Reich Tax Law* (1936), the *Decree Against the Camouflage of Jewish Firms* (1938) and the *Order for the Disclosure of Jewish Assets* (1938) (Anti-Semitic Legislation 1933-1939, USHMM 2018) Combined, these laws aimed to remove (*make die*) the Jewish influence in the German economy

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<sup>85</sup> Joseph and Abraham Mendelssohn were the sons of philosopher Moses Mendelssohn and fathers to composers Fanny Hensel and Felix Mendelssohn respectively. The Mendelssohn family was considered so influential that the Leo Baeck Institute held an exhibit titled 'The Mendelssohn's: A German Family of Scholars, Bankers, and Artists' in 2013. It was opened by the German Ambassador who commented "Few families have had a more profound impact on the shaping of German culture than the Mendelssohn's" (Leo Baeck Institute, 2013).

and consequently disable the Jews from a financially independent life. These factors meant Mendelssohn had to Aryanise in order to maintain the business that had operated since 1795 (James 2001, p. 70).

During 1938 the ownership of Mendelssohn was exclusively Jewish, with 75 percent of the ownership held by members of the Mendelssohn family. Given previous dealings and established business relationships, the owners chose to negotiate with the Deutsche Bank (James 2001, p. 71). By June 1938, the intervention of the Reich Economics Ministry, as well as by Nazi party members into the Mendelssohn deal, suggested that Aryanisation would be the best option for maintaining the bank as a private entity. For the Nazis this was important, as their suspicion of banks meant they were uncomfortable with increasing the concentration of power if Deutsche Bank absorbed Mendelssohn (James 2001, p. 72). The State was conscious of not allowing any one concern of getting to become too 'big' such that it might pose a potential threat to the State. After protracted negotiations involving the Reichsbank Vice President and with the reluctant consent of the State, the Deutsche Bank took over Mendelssohn, assuming assets and liabilities so there were no proceeds left for the Jewish owners (Köhler 2005, p. 11). The bank was then re-classified as 'Mendelssohn in Liquidation' (James 2001, p. 74). This was, however, viewed as a 'friendly Aryanisation', by Hermann Josef Abs and Rudolf Loeb of the Deutsche Bank, the Mendelssohn family and the Office of Military Government for Germany, United States (OMGUS) (Lothar & Underwood 1999; Feldman & Seibel 2005). Investigations undertaken by OMGUS after the war revealed that "the participants in the negotiations always agreed that Mendelssohn & Co should be re-established as an independent banking house as soon as the economic and political conditions permitted" (Feldman & Seibel 2005, p. 53). Thus, Deutsche Bank was in fact flouting the *Decree Against the Camouflage of Jewish Firms (1938)*, by holding the bank in an informal trust for the Mendelssohn's until such a time when they could reclaim it (that is, when the Nazis were ousted). The Deutsche Bank therefore saw the Aryanisation as only a temporary loss of financial *bios* for the Mendelssohn's.

In the course of these negotiations the Deutsche Bank aryanised Mendelssohn according to the law, but secretly agreed to return ownership to the Mendelssohn family once the Nazis were out of power and the corporative economy collapsed. In this way, the Deutsche Bank sought to reinstate the financial *bios* of the Mendelssohns, without appreciating that the eliminationist agenda would soon turn exterminationist. Several Mendelssohn descendants were saved through emigration, but others were placed into concentration camps, and few survived (Hayman 2009). Germany had tried to crush the lineage of one of the most important family dynasties, one that had contributed significantly to German culture, by branding them as “the bearer of the link between violence and law” (Agamben 1995, p. 65).

It was not only the Mendelssohn family affected by this Aryanisation, but also the Jewish bank workers. One proviso of the take-over was that the “Deutsche Bank would also take over the employees and, for a period of three years, pay them at the higher rates customary in Mendelssohn” (James 2001, pp. 74-75). The Germany of 1938 could not have allowed such a stipulation to stand. Contracts were sacrificed to the executive *ban* as the Jewish employees were dismissed within days of the agreement. The Mendelssohn Aryanisation provides Agamben’s *example* and *exception* operating in symmetry, both forms of *inclusion* and *exclusion*, but the key difference is that Mendelssohn was encapsulated within the sovereign *ban*. As Agamben argued, “he who has been *banned* is not, in fact, simply set outside the law and made indifferent to it but rather *abandoned* by it, that is, exposed and threatened on the threshold in which life and law, outside and inside become indistinguishable” (1995, p. 28).

#### 6.7.2 The Deutsche Bank and Simon Hirschland, Essen

The acquisition of Simon Hirschland (Hirschland) by Deutsche Bank demonstrated how the Nazi State would only allow for bank Aryanisation-acquisitions (as opposed to the typical role of brokering Aryanisations) as a last resort. Suspicious of the banking sector, it was the issue

of standstill credits that allowed Deutsche Bank to acquire the Jewish bank of Hirschland. Hirschland, a bank in Essen, was founded in 1841 and by the end of 1937 had capital of 84 million RM and standstill credits of 38 million RM (James 2001, p. 77). Standstill credits (*Stillhaltecredite*) represented foreign credit lines (liabilities) that were frozen during the 1931 banking crisis, and which were subject to the annually negotiated German Credit Agreements (James 2001, p. 73).

These credits were a liability:

with the proprietors personally, in fact, through their private assets, and, under the provisions of the Standstill agreement, the part amounts concerned when a proprietor withdraws would fall due immediately, payable in foreign currency...it follows that Jewish assets located abroad would be jeopardised (James 2001, p. 73).

Consequently, to transfer these standstill credits either to another bank or to the German government would require the consent of the foreign creditors. This consent was difficult to obtain and without discharging these standstill credits, Aryianisation of Jewish business was made difficult. The Jewish owners of Hirschland tried to have another German bank take over the standstill credits to appease its foreign creditors. Thus, the ability of Jews to maintain their financial *bios* to survive the *state of exception* depended on the cooperation of Aryan banks such as Deutsche Bank.

Over 20 percent of Hirschland's employees were Jewish, which made the bank "a focal point of Jewish financial dominance in the Ruhr district" (James 2001, p. 77) and as such the object for Nazi intervention. Such intervention included various racially-based legislation that aimed to exclude the Jews (*make die*) under tenets of thanatopower, including the *Reich Flight Tax* (1931) (81 percent), the *Law against Betraying the German National Economy* (1933), the *Denaturalisation Law* (1933), The *Reich Citizenship Act* (1935), the *Blood Protection Act* (1935) ('Nuremberg laws') and the *Executive Order on the Reich Tax Law* (1936) (Anti-Semitic

Legislation 1933-1939, USHMM 2018). In this context, Hirschland decided to seek the Deutsche Bank as a potential protector.

Original negotiations, which aimed to sustain the financial *bios* of the Jewish owners and directors, proposed an arrangement whereby Deutsche Bank would purchase the Hirschland shares through a managed consortium, with the capital provided by Ruhr industrialists, and the standstill credits assumed by the Deutsche Bank (James 2001, pp. 77-78). The agreement was unable to extend to the Jewish employees, all of whom would have to be dismissed in a “topological zone of indistinction, which had to remain hidden from the eyes of justice” (Agamben 1995, p. 37). The deal was strongly opposed by the Essen NSDAP, with the District Economic Advisor writing to Reich Economics Minister (Walther Funk) that the plan was:

...completely out of the question, since the political leadership does not wish this business to survive, because if it did the result would be to usher in a fresh version of the Essen banking industry...This preliminary agreement gives such unilateral preference to Deutsche Bank and further provides for such powerful dependence on the part of Deutsche Bank that there could be no more talk of a ‘private bank’ in the strict meaning of the word (cited in James 2001, p. 78).

The government, fearful of a centralised banking industry, preferred to liquidate Hirschland instead of allowing the market share of the Deutsche Bank to increase (James 2001, p. 78), even though this was against the best interests of the German economy. The words used by the *Gauleiter* echo the thanatopolitical ideology of the Nazis, linking notions of life and death to the application of economic policies in the form of *survive*. In eliminating the business, the *Gauleiter* as a proponent of the thanatopolitical policy, sought the death of Jewish influence and participation in the Essen economy (*made to die*). Eventually, the problematic standstill credits proved a saving grace for Deutsche Bank. Only the Deutsche Bank, out of available acquirers, could pay the credits, and Germany was in no position to repay in foreign currency without industry capital (James 2001, p. 78).

A recurring theme of the case studies is the disregard that the State had for not only the Jewish business, but the Aryan businesses during Aryanisation. The *make live* thanatopolitical imperative became subordinated to *making live* the Nazi State. Even though the legislation and policies in place would almost guarantee an increase in Aryan capital by forcible takeover, the State would often curtail opportunities for the Aryan banks to profit and instead redirected excess funds to the government. This is evident again in the Hirschland case. During negotiations, the Essen district *Gauleiter* was adamant that the deal should not go through because of “the possibility of Deutsche Bank’s achieving a unilateral advantage through a profitable ‘Aryanisation’ [and] it was also quite out of the question that Deutsche Bank should come into Hirschland’s entire inheritance” (James 2001, p. 79). It was suggested by the Nazi Party that unless “some of the *Gauleiter*’s industrial friends [became] personal and financial partners in the new firm” (James 2001, p. 79), the Deutsche Bank’s plans were unworkable. In other words, without Nazi partners the plan was untenable. This mirrors the case of Mendelssohn, in that the State used Deutsche Bank as the *example* and as part of the *ban* that was only supposed to extend to the Jews. This exemplifies Agamben’s concept that the *example* forms part of the “ambiguity of the *ban*” (1995, p. 77), which, just like the *exception*, is *excluded* through its *inclusion* (Agamben 1996, p. 77). This is when the *state of exception* starts to become blurred, and where the *exception* and the norm become indistinct. The Deutsche Bank should have been immune from the law that excluded the Jews, but according to Agamben (1995), once the *state of exception* is declared, everyone is exposed to the *Bia*<sup>86</sup> and *Dikē*<sup>87</sup> that the sovereign unites, even if it’s just a *potentiality* (Agamben 2005).

Eventually, a new bank was established (Burkhardt & Co.), with capital advanced by the Deutsche Bank (James 2001, p.80). The Deutsche Bank and Burkhardt & Co. then shared the liability of the standstill credits, comprising 11,401,000 RM from the UK, 878,000 RM from

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<sup>86</sup> *Bia* is a term used by Agamben to mean ‘violence.’

<sup>87</sup> *Dikē* is a term used by Agamben to mean ‘justice.’

Switzerland, and 328,000 RM from France (James 2001, p. 80). This did not discharge the Hirschland family from their personal debts to Germany under the *Order for the Disclosure of Jewish Assets* (1938) and *Kristallnacht* reparations. The Hirschland family, already financially distressed from the sale of the bank, tried explaining to the tax office that during *Kristallnacht* they had buildings, a children's home and a synagogue destroyed, as well as silver, jewellery and paintings by van Gogh confiscated (James 2001, p. 80). The *Kristallnacht* pogrom crippled them financially. The reparations demanded by the State and the exorbitant costs of emigration amounted to nearly 5,000,000 RM. The cumulative effects of racist ideology, restrictive legislation, forced confiscations and exorbitant taxes, ensured that the Hirschland family was unable to sustain its financial *bios*. The Hirschland family was able to escape to North America, despite having no financial means, and they were eventually able to build a new life for themselves (James 2001). Future generations would later seek compensation for the financial theft of their ancestor's wealth (Claims Restitution Tribunal 2012).

To further elucidate the fear that the Nazis held with respect to economic power of Deutsche Bank, James explained that:

Deutsche Bank did not take over any major banks in Germany in the 1930s (by contrast with the experience of the 1920s, when it had been massively acquisitive). This was not because of self-restraint, moral scruples or doubts about the process of 'Aryanisation,' or an unwillingness to expand. Rather, the absence of takeovers was a consequence of government policy and of the unwillingness of the Reich Economics Ministry and the Bank Commissar...to see an extension of the economic power of Deutsche Bank (James 2001, p. 81).

Broadbent asserted that by "making certain aspects of reality 'visible' [accounting] creates the possibility of controlling these elements" (1995, p. 4). In the case of the Deutsche bank the State controlled it in the attempt to retain State power over the economy. While policies were in place to exercise thanatopower, the State procured excess profits for itself. Rather than strengthening the German economy, the State crippled it through its racist policy of removing Jewish expertise,



experience and influence. The thanatopolitical imperative to *make die* (the Jews) and *make live* (the Aryans) became somewhat distorted with Nazi attempts to effectively *make die* the German economy. Rather than being a technique for measuring financial information, the accounting used by the Nazis was one designed for enriching the State treasuries through the reappropriation of Jewish capital.

## 6.8 I.G. Farben

The Interessen Gemeinschaft der Deutschen Teerfarbenindustrie (the 'Community of Interest of the German Dyestuff Industry' known hereafter as 'I.G. Farben') was created on the 25 December 1925 by amalgamating eight different dyestuff companies comprising BASF, Bayer, Hoescht, Kalle, Cassella, Agfa, Ter Meer and Greisham (Reader 1970; Borkin 1978). The amalgamation was necessary to fulfil the need for capital in order "to finance extremely expensive research and development and then production on the largest scale" (Reader 1970, p. 256). During industrialisation, German dyes and pharmaceuticals crowded out similar products in the international market, with dye export "profits and dividends...widely [exceeding] the averages for all other German industries" (Hayes 1987, p. 1). Some of the products created and distributed by I.G. Farben are still in use today, including aspirin and heroin, which "it sold as a cure for morphine addiction and as a cough suppressant, especially effective in children" (Borkin 1978, p. 6).

By 1929 I.G. Farben owned more than one hundred plants and mines, as well as:

employing close to 120,000 people and grossing more than 1.4 billion RM from sales. Shortly after the merger, the book value of the corporation's stock climbed from 646 million to 1.1 billion RM; market value on the exchanges crested at three times that amount in 1928. No independent chemical firm in Germany wielded even 10% of this capital; the next fifteen companies in order of size accounted for less than one-third of I.G.'s total at book, and the concern owned a majority

of two of them plus substantial fractions of several of the others. Under the Republic, the combine<sup>88</sup> consistently held about 48% of the invested capital of the German chemical industry, about 4% of that in industry as a whole. More to the point, from 1925 to 1929, I.G. generated two-thirds of the chemical industry's profits, exports, and new capital outlays. According to two American analysts, by 1930 the concern turned out 100% of German dyes, 65-85% of the country's nitrogen, nearly all its explosives, 90% of its mineral acids, 40% of its pharmaceuticals, 30% of its rayon – altogether more than 40% of German chemical products (Hayes 1987, p. 17).

I.G. Farben “truly was a mighty industrial colossus” (Borkin 1978, p. 1) and integral to the German state and economy. Gustav Stresemann, who was Chancellor and Foreign Minister during the Weimar Republic, stated that “without I.G. and coal, I can have no foreign policy” (cited in Borkin 1978, p. 2). I.G. Farben at its conception was primarily concerned with organic chemicals “like dyes, drugs, and photographic aids; later, they turned to nitrogen, rubber, fuel, fibres, and light metals. In each instance, the impetus was the same; the desire to find substitutes for expensive and uncertain imports” (Borkin 1978, p. 1). In the policy of autarky and armament:

I.G. Farben's products became ubiquitous and essential. It made not only the synthetic rubber on which most Nazi war vehicles rode and the fuel-from-coal that powered many of them, but also the gas that murdered more than a million people at Auschwitz and even several of the drugs that Dr Theo Morell, Hitler's physician, pumped into the Fuhrer's bloodstream (Hayes 1987, p. xi).

I.G. Farben's success was rooted in the idea that it retain a monopoly over its products for the life cycle of the product, while dominating international markets during the mature phase and developing the next monopoly to provide profit while the preceding product declined (Hayes 1987, p. 3).

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<sup>88</sup> I.G. Farben is interchangeably referred to as ‘the combine’ in the literature.

I.G. Farben's dominance in the market, coupled with German patent laws, helped safeguard I.G. Farben against the financial crisis of 1931 and saw it fare far better than most businesses in the aftermath. Hayes claimed that "at its nadir in 1932, the concern distributed a profit of more than 47 million RM, largely because I.G.'s exports had tumbled by only 39% since 1929, compared with 58% of Germany as a whole" (1987, p. 42). During the 1926-1932 period, total assets on the balance sheet grew between one to six percent while capital injections during the economic downturn totalled more than 380 million marks (Hayes 1987, p. 43). At the same time, a European dyes cartel consisting of I.G. Farben, French, Swiss and English corporations was formed. This cartel controlled just less than 90 percent of world dye production, which effectively meant that I.G. Farben controlled 65.5 percent of world export sales (Reader 1970; Hayes 1987). Since the German legal system recognised cartels, I.G. Farben was able to eliminate competition between itself and other market competitors, while sharing profits and maintaining separate legal entities (Reader 1970, p. 474).

The cartel paid annual dividends of around 20 percent of its share capital but was exhausting natural sources of dyeing compounds (Hayes 1987, p. 7). Along with that problem, I.G. Farben was also forced to confront the rise of the Nazi party and the potential threat it posed to business and profits. As "neither science nor commerce exist in a vacuum, Farben's mentality had a political side" (Hayes 1987 p. 4), as continued increases in profits required economic and political stability. I.G. Farben's managers "believed that the purpose of micro- and macroeconomic policy was to generate the profits that powered the product cycles and the goal of corporate political activity was to retain an optimal share of those profits" (Hayes 1987, p. 47). Accordingly, the cartel undertook adroit manoeuvres to show its support of the new regime, and in 1933 the Nazis received 4.5 million RM from I.G. Farben (Hayes 1987, p. 104). By 1945 that figure had reached 40 million RM, which made I.G. Farben "the largest single contributor to the terror election" (Schweitzer 1964, p. 102). The relationship involved a reciprocal

arrangement whereby in return for payment for political activities, the NSDAP would adjust its economic measures to be more favourable to the cartel (Schweitzer 1964, p. 102).

The first of these measures was intended to support Germany through its “period of struggle” and outlined in the *Fundamental Economic Views and Goals of the NSDAP* (1931) and the *Economic Emergency Program* (1932). It was at this point that I.G. Farben was alerted to the changing economic model of corporatism, as the State demanded autarky and armament, and promulgated the slogan “the common good before private interest” (Hayes 1987, p. 72). These policies, while helping Germany accomplish “the most rapid and sustained economic recovery in the industrialised world” (Hayes 1987, p. 74), further alienated business interests from the State. Hayes outlined that:

it is perhaps more accurate to say that, to German industry, the emergent economic system was still capitalism, but only in the same sense that for a professional gambler poker remains poker, even when the house shuffles, deals, determines the ante and the wild cards, and can change them at will, even when there is a ceiling on winnings, which may be spent only as the casino permits and for the most part only on the premises (1987, p. 79).

It was a very different mode of operation than I.G. Farben was accustomed to, and in order to still achieve its business goals, it had to find ways to serve both competing sets of interests. One such way was to conform to the needs of the Nazi Party by assuming the ideology of the State through Nazification.

Prior to Aryanisation, I.G. Farben maintained its dominance in the dyestuffs and pharmaceuticals industries. From 1933 -1936, employment had increased to 170,869 (up 52 percent), sales to 1.3 billion marks (up 45 percent), gross profits to 251 million marks (up 105 percent), distributed profits to 55.4 million (up 13 percent) and re-investment in factories to 171 million (up 407 percent) (Hayes 1987, p. 158). Within the cartel I.G. Farben’s growth had surpassed any other company, but it had not achieved the international gains that DuPont and

Allied Chemical had, perhaps because of the economic constraints imposed by the Nazis. In 1936 Hitler announced the Four-Year Plan to prepare the country for self-sufficiency during the anticipated war of conquest. As a precautionary measure to ward off industrialist backlash over this plan, Hitler imposed a law requiring the death penalty for acts of 'economic sabotage.' In devising and implementing the Four-Year Plan, Hitler and Göring sought the expertise of I.G. Farben, leading Gillingham to label it "the I.G. Farben Plan" (1985, pp. 50-51). I.G. Farben's close involvement in the plan ensured it could *make live* its business by aligning the goals of the Four-Year Plan with their own profit-seeking objectives in a form of pseudo-Nazification. At no time did "the ideology of the Nazi party constitute a barrier that prevented businessmen from arriving at a deal with the party leaders" (Schweitzer 1964, pp. 102-103) and subsequently, over the course of the next three years the regime:

manipulated the price structure, compelled savings institutions to convert their deposits into government bonds, limited stock issues and dividend payments, and raised corporate tax rates by 5% per year from 20% in 1935 to 40% in 1939, minus various exemptions for reserves reinvested in state-sanctioned projects. The result was a tight lid on most firms' profits and a system of direct and 'derived' public financing that drained a substantial portion of national income into capital investment in war related industries (Hayes 1987 p. 165).

The speed at which the Four-Year Plan was carried out frustrated Hitler, who threatened that the State would assume full control of businesses if the plan was not carried out more expeditiously (Hayes 1987, p. 169). This further intervention into business life also meant that existing Aryan businesses were forced into the role of negotiators, acquirers and ultimately instruments of racist State policy. To remain within the civil sphere and *make live* its business within the Nazi State, the managers eventually "descended into increasing collaboration with the Nazi state" (Hayes 1987, p. 82).

I.G. Farben and its subsidiaries ultimately flourished under the Four-Year Plan. Between 1936 and 1939 employment had increased to 230,000 (up 35 percent), sales to 2 billion RM (up

53 percent), gross profits to 377 million RM (up 50 percent), distributed profits to 56 million RM (up one percent) and re-investment in factories to 272 million RM (up 59 percent) (Hayes 1987, p. 180). I.G. Farben's growth is more remarkable given that it did so without international trade<sup>89</sup>. Its success undoubtedly stemmed from its crucial role in the development of the Four-Year Plan, of which the cartel "received no less than 72.7 percent of total Four-Year Plan investments" (Gillingham 1985, p. 85). The increased demand for gasoline, nitrogen (for explosives), metals, rubber, plastics and fibres related to the Four-Year Plan, along with autarky and armament policies, bolstered I.G. Farben's financial statements. In preparation for war, I.G. Farben controlled eight percent of existing, and 59-65 percent of intended, German capacity for chemical warfare agents (Hayes 1987, p. 188).

Parts of I.G. Farben's experience during the Four-Year Plan were problematic. Directives from the State to build plants in certain areas that would be beneficial for the State, but that did not align with I.G. Farben's business goals, presented problems. For one project, I.G. Farben refused to build, complaining it did not have the resources to fund the entire project itself. The Finance Ministry in Frankfurt had its auditing office examine the books and concluded "that I.G. had sufficient reserves to build Schkopau without recourse to a bond or stock issue" (cited in Hayes 1987, p. 189). Caught out, management manipulated its financing arrangements to extract money from the Reich without appearing to. The scheme devised:

amounted to collecting a revolving loan fund for Buna<sup>90</sup> from a sliding tariff on imported natural rubber destined for German domestic consumption. From the pool, I.G. could borrow the necessary capital for ten years at 5% per annum. With the availability of money thus ensured, I.G.'s wholly owned subsidiaries, the Ammoniakwerke Merseburg and Leopold Cassella & Co., put up 30 million marks to capitalise a new rubber-producing firm, the Buna GmbH, in February 1937 (Hayes 1987, p. 189).

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<sup>89</sup> International trade was halted in line with the Nazi Party autarkic aims in 1933.

<sup>90</sup> Buna was a synthetic rubber.

The Buna GmbH was not only financed by the Reich but provided I.G. Farben with a plant for making a rubber substitute that would reap profits once stockpiles of rubber were depleted. The plant was so successful a second was opened in Poland, with an attached labour camp in Auschwitz (see chapter seven). I.G. Farben was also cunning in circumventing Nazi orders to acquire businesses not related to its primary interests. I.G. Farben was guided by a central philosophy couched in long-termism, rather than mere survival during the war years. I.G. Farben conformed to the needs of the Nazi Party in the attempt to stem external Nazification of the concern. I.G. Farben aimed to control and restrict competitors producing dyes, light metals, rubber, plastics, and industrial gases (Hayes 1987, pp. 216-217). It did this by clothing “its objectives in appeals to military necessity or the Party’s goals” (Hayes 1987, p. 217). Industrial expansion into occupied Europe was not orchestrated by corporations like I.G. Farben, rather it was the German economic empire, “in large part owned and [operated] by the Göring economic apparatus” (Hayes 1987, p. 218). I.G. Farben, like most other businesses at the time, was focussed only on continuing a profitable business to see out the war and to prosper in the future.

I.G. Farben “reacted opportunistically and defensively to the regime’s diplomatic and military triumphs... [by reinforcing] that mistrust of large corporations among Party and State functionaries” (Hayes 1987, p. 218). This tapped into distrust similar to that shown to Deutsche Bank. Once Nazi expansionism moved to areas such as Austria, Czechoslovakia, Poland, Alsace-Lorraine, the Baltic States, and Russia, I.G. Farben resisted State attempts to Aryanise businesses in those locations as they “offered neither significant sales opportunities nor major competition in international markets” (Hayes 1987, p. 219). When the determination of the Reich to place companies in those locations under German control was made known, I.G. Farben saw the potential threat – government involvement in chemical production (Hayes 1987, p. 219). Only when I.G. Farben saw an alignment of interests with its own goals did it acquiesce to State demand by applying a defensive acquisitive strategy. Monopoly power, rather than attempts to

reward business acumen or to protect the economic livelihood of the 'Other'<sup>91</sup>, was the primary driving factor behind I.G. Farben Aryanisations.

I.G. Farben's Working Committee (*Vorstand*) between 1933 and 1938 consisted of thirty-five men, nearly all of whom were married with children, sixteen were veterans of the First World War, seven were Iron Cross recipients and twenty-four held doctorates (Hayes 1987, p. 28). This *Vorstand* represented the crux of the Aryan ideal, masculine, brave, intelligent and patriotic. These executives "resided over the firm most widely credited, then and since, with carving out a lucrative and murderous place for itself" (Hayes 1987, p. xi). One of the first acts of the American occupation authorities in 1945 "was to seize the enterprise as punishment for 'knowingly and prominently...building up and maintaining German war potential', having been truly 'Nazified' by that stage. Two years later, twenty-three of the firm's principal officers went on trial at Nürnberg [Nuremberg] for crimes against peace, humanity, and property rights" (Hayes 1987, p. xii). The I.G. Farben case epitomised the role of business in perpetrating the Holocaust; these business men were the industrial elite, intelligent, patriotic fathers and husbands, managers of a corporation on trial for slavery and mass murder. Borkin stated that "despite the terrible gravity of the charges, the setting was more like that for an antitrust suit" (1978, p. 3). Hayes suggested that "German businessmen were 'coordinated' like other social groups in the Third Reich, but also that they were defeated by their own desires" (1987, p. xvii).

#### 6.8.1 I.G. Farben and Pulverfabrik Skodawerke Wetzler AG (SWW)

The later Aryanisations (such as that of SWW) focused less the intricacies of the *state of exception*, which had until around 1938 been concerned with discerning the line between races and appointing Jews as the *exception*, and more on their reduction to *bare life*. Reducing the Jew to *bare life* through the removal of his/her *bios*, made the Jew "the originary *exception* in

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<sup>91</sup> As was sometimes the case with Degussa and Deutsche Bank.



which human life is included in the political order in being exposed to an unconditional capacity to be killed” (Agamben 1995, p. 85). The case of SWW demonstrates the indistinction Aryanism created between the *state of exception* and the civil sphere. It reveals how “the sovereign [i.e. the Nazi Party] is the point of indistinction between violence and law, the threshold on which violence passes over into law and law passes over into violence” (Agamben 1995, p. 32) and where the ‘Other’ is subjected to this violence. Earlier legislation that was designed to segregate and create the ‘Other’, was simultaneously designed to allow for lawful violence to the *homo sacer*, even outside of the camp (reiterating the indistinctiveness of the *state of exception*). The treatment of the individuals who lost their financial *bios* in the SWW case exemplified the violence inherent within not just the *state of exception*, but in the tenets of thanatopower (i.e. *make die*).

SWW was an Austrian chemical company that I.G. Farben had expressed interest in acquiring to strengthen its position in the Austrian market as early as 1927 (Hayes 1987, p. 220). At that stage, however, I.G. Farben determined it was an unnecessary purchase, as it already owned two major Austrian producers through a subsidiary (Dynamit AG of Troisdorf) (Hayes 1987, p. 220). Seeking to assert its dominance and portraying the calculated business acuity that had established it as such an “industry colossus” (Borkin 1978, p. 1), I.G. Farben prepared a contractual agreement in 1928-29. The agreement aimed “to restrict SWW’s encroachment on their own market while stabilising SWW by assigning the chemical factory a fixed share in I.G.’s sales to Southeast Europe” (Hayes 1987, p. 220).

Just three years later the majority shareholder, Creditanstalt Bankverein, tried to sell its ownership in SWW. One of the directors, Franz Rottenberg, oversaw the deal. The general director of SWW, Isidor Pollak, sought out I.G. Farben as the potential buyer (Hayes 1987, p. 222). This case is unique in that there were two remaining Jewish managers who were dependent on Aryanism in order for the business to survive. I.G. Farben diplomatically

declined, aware of the changing situation in Germany and wanting to pursue negotiations at a later, more advantageous time. After several years of negotiations and a bidding war with I.G. Farben's main competitor in East Central Europe (the Aussiger Verein of Czechoslovakia), an agreement was reached in 1937 (Hayes 1987, pp. 221-222).

The Austrian government, keen to preserve Austrian interests, objected to the agreement and I.G. Farben again deferred negotiations until "fundamental changes in the economic and political relations between Germany and Austria" occurred (Hayes 1987, p. 222). As a major contributor to the party, and instrumental in policies such as the Four-Year Plan, I.G. Farben had insight into the ambitions of the State. Managers of I.G. Farben knew that if they held out long enough, the political conditions would eventually allow for a more profitable Aryanisation (Hayes 1987). A compromise was finally reached that satisfied only I.G. Farben and the Austrian government, in that Creditanstalt Bankverein would remain the majority shareholder, but I.G. Farben "would hold the deciding voice in designated matters of special importance to it" (Hayes 1987, p. 223). I.G. Farben would gain control and protect its own commercial interests and SWW would still be in Austrian ownership. At this point German law had not infiltrated Austria, but recent developments had made the Jews of Austria uneasy. It was clear that it was only a matter of time before the Nazis annexed Austria and imposed their corporative economy and *state of exception* on the Austrian Jews. Following this, the Jews would become part of the *ban* and completely vulnerable to a loss of financial *bios*.

Shortly after the agreed upon compromise, the *Anschluss* took place and Germany began its annexation of Austria. With its dissolution in favour of a Nazi regime, Austrian government demands were worthless. The annexation "signalled growth and control potential for I.G....and [it was anticipated that] the Four-Year Plan might fund the modernisation of the SWW plant" (Hayes 1987, p. 223). Only 10 days after annexation, I.G. Farben enacted its defensive strategy to purchase the majority shareholdings from Creditanstalt Bankverein, well

before the Nazi State could attempt any encroachment into I.G. Farben industry (Hayes 1987, p. 223). The deal was approved by Pollak, who found himself in an exposed position, weakened by the removal of Austrian government protection and his Jewishness. I.G. Farben became majority owner of SWW in spite of the efforts of the German State, including a Reich lieutenant order (*Reichsstatthalter*) “against the founding of new plants or enterprises in Austria by German firms” (Hayes 1987, p. 224). The Foreign Organisation (*Auslandsorganisation*) also criticised the move, claiming I.G. Farben was too slow in Aryanising its Austrian subsidiaries and allowed “excessive monetary generosity to dismissed Jews” (Hayes 1987, p. 224), including Rottenberg and Pollak. This claim should not be equated with similar claims in earlier Aryanisations by Degussa and the Deutsche Bank. Despite I.G. Farben being accused of having a “soft policy in dealing with Jews in general” (Feldman 2015, p. 73), it would seem that this was more because I.G. Farben’s interests conflated with SWW’s. The State was suspicious of large companies, particularly I.G. Farben, which was able to assert real resistance if necessary. The State was looking to centralise business within State control, and the bigger I.G. Farben became the harder it would be for the State to do this. I.G. Farben sought to increase its market share and extend its domination across Europe by Aryanising any competition (Hayes 1987). While the State and “the I.G. leadership was probably sincere in thinking that it had paid too much for SWW...its primary motive had been protection against competition in Austria and government intervention” (Feldman 2015, p. 75). Based on the timing of the deal and the sudden interest shown by the Nazi regime, the desire to monopolise the chemical industry superseded any intention on I.G. Farben’s part to protect the financial *bios* of the SWW representatives and so, as the case demonstrates, their financial *bios* was *made to die*.

The *Anschluss*, coupled with *Reich Flight Tax* (1931) (up to 90 percent), the *Law against Betraying the German National Economy* (1933), the *Denaturalisation Law* (1933), *The Reich Citizenship Act* (1935), the *Blood Protection Act* (1935) (‘Nuremberg laws’), the *Executive Order on the Reich Tax Law* (1936), the *Decree Against the Camouflage of Jewish Firms* (1938), the

*Order for the Disclosure of Jewish Assets* (1938), and the *Jewish Capital Levy* (1938) (Anti-Semitic Legislation 1933-1939, USHMM 2018) meant that the situation for SWW's Pollak and Creditanstalt Bankverein's Rottenberg was grim. Despite receiving what the State and I.G. Farben termed 'generous' compensation, the intent of the State to exclude the Jews from the German economy was extended to the Austrian economy (Hayes 1987; Feldman 2015). At that point, the Austrian Jews were *made to die* in a financial sense. After the *Anschluss*, Rottenberg was removed from Creditanstalt Bankverein, "arrested, mistreated, but then released" (Feldman 2015, p. 71), the first direct foray (within an Aryanisation) into violence for "the bearer of the link between violence and law [i.e. the Nazis]" (Agamben 1995, p. 62). Pollak, who was initially arrested and then freed, faced a Gestapo home invasion after the agreement with I.G. Farben. During this invasion, he was "trampled on in front of his sister, suffered a stroke or heart attack, and died before reaching hospital. The Gestapo men involved complained about ruining their heels" (Feldman 2015, p. 71). This incident is indicative of the State sanctioned violence that was to follow, perhaps inevitably, since "the sovereign is the point of indistinction between violence and law, the threshold on which violence passes over into law and law passes over into violence" (Agamben 1995, p. 32). The complicity of I.G. Farben in the Holocaust is extended in the next chapter, with reference to its use of forced and slave labour in the camps.

## 6.9 Conclusions

The case studies presented in this chapter have demonstrated how the Aryanisation policies of the Nazis led to the loss of financial life (*bios*) of the Jews, leaving them vulnerable to the exercise of thanatopower. Examining each case study in terms of the numbers, while reinstating the narrative of the 'Other', has highlighted the invisibilities and nonvalues in

accounting discourse. This gives richer insight into what happened to those who found themselves ensconced within the sovereign *ban* and placed within the *state of exception*.

The earlier Aryanisations, which were enacted while Aryanisation was still covert, provided more opportunity for Jews to maintain their financial *bios*. The earlier studies of Homburg (Arthur Abelmann) and Degea (Alfred Koppel) show how in the infancy of Aryanisation, Aryan businesses were still aligned to a capitalist, neoclassical economic model and wanted to reward the Jewish owners for a profitable business. Abelmann and Koppel received 'generous' offers, and in the context of less restrictive legislation, both men maintained at least some of their financial *bios* and were able to emigrate.

Aryanisations that occurred between 1934-1937 showed the increasing difficulty Jews had in securing a deal that would maintain their financial *bios*. Some resorted to deals with the acquirer to ensure that the business would be handed back after the Nazis fell out of power- this was particularly evident within the Deutsche Bank Aryanisations. The Aryanisations conducted during this time leave little record of the fate of the prominent families forced to sell their businesses – an example of how the lives of those families became invisible. The likely conclusion was internment or death within a concentration camp, reinforcing the notion that “seizure of property acts as an important catalyst in accelerating the downward spiral across the threshold to genocide” (Dean 2008, p. 15). In terms of the theoretical triptych, the first panel of financial death established the conditions for the second and third panels.

Where German businesses had the will and the capacity, some families were saved by the acquirer. Degussa saved the Abelmann and Koppel families by providing enough capital for them to retain their financial *bios*. Deutsche Bank was able to negotiate deals which enabled the Mendelssohns and Hirschlands to emigrate and start new lives away from the persecution they had endured in Germany. Here we see some resistance to the thanatopolitical imperative to

*make die*. This must be tempered with the knowledge that not all family members escaped; some were placed into concentration camps and few survived.

As time went on, however, Degussa conformed to the *exceptions* set by the State and the corporative economy by disregarding the lives of the Jewish owners during negotiations. Their initial struggle to mitigate between ‘what [was] fundamentally correct [in accordance with the law]’ and ‘sentimental considerations’, soon gave way to State imperatives. In the hope of securing bargain purchases and appeasing the State’s racial ideology, Degussa chose to ignore, or not value, the human lives at all. Economic rationality superseded the profound impact of such decisions on the human lives affected. I.G. Farben also followed this approach, but allowed itself to be drawn into the realm of State violence. The case of SWW links sovereign violence with thanatopower, as the attempt to *make die* the financial *bios* of Pollack coincided with the goal to *make die* Pollack. The consequences of the sovereign *ban* were explicit and the thanatopolitical face of the regime was made public. Through the *ban*, Pollack and Rottenberg were “abandoned by [the law], that is, exposed and threatened on the threshold in which life and law, outside and inside, become indistinguishable” (Agamben 1995, p. 28). In other words, they had been placed within the *state of exception* before it achieved a physical space in the concentration camp. The union of the *Bia* (violence) and *Dikē* (justice) was revealed as the principle of sovereignty, and the production of *bare life* the original activity of sovereign power (Agamben 1995, p. 85). The degradation into *bare life* (made possible through the initial loss of financial life) leaves open infinite possibilities for violence to be committed as part of the *nomos*, and the boundary between the *state of exception* and the civil sphere becomes so indistinct as to render the two indiscernible, as the *exception* becomes the rule.

This chapter has outlined the ways in which business decisions, fostered by thanatopolitical ideology, the corporative economy and Nazification, and underpinned by racism, have real consequences for the life and death of citizens. It has established the removal

of financial livelihood (*bios*) as a first step to genocide, and shown that those without financial *bios* were at the mercy of the State. This enabled them to be placed into the State-derived *state of exception*, as a means to remove them from the citizenry. By 'killing' their financial *bios*, other aspects of their lives were open to extermination. This reflected the transformation of an eliminationist agenda to an exterminationist ideology, in a space devoid of law where killings were sanctioned as part of normal State activity. There is potential for further research into this stage of loss, particularly in respect of profiting from Aryanisation, once source documents become available after the Federal Republic's archival law for eighty years has elapsed<sup>92</sup> (James 2001, p. 8).

The following chapter focuses on the second 'loss of life' through the second panel of the theoretical triptych, particularly as it concerns the forced/slave labour used by businesses in the concentration camp system. The continuation of Degussa and I.G. Farben's involvement in the removal of Jewish *bios* is presented. The loss of political *bios* finally renders the person void of their humanness and as pure *zoē* they meet their fate in the death camps, as the Nazi exterminationist agenda was unspeakably realised.

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<sup>92</sup> At the time of writing, only records up until 1938 are available.

## Chapter Seven: Social death – loss of political *bios*

We were not slaves but less than slaves. True, we were deprived of freedom and became a piece of property which our masters drove to work. But here all similarity with any known form of slavery ends...The machinery had to be operated with care, oiled, greased and allowed to rest; its life span was protected. We, on the other hand, were like a bit of sandpaper, which, rubbed a few times, becomes useless and is thrown away to be burned with the garbage.

– Affidavit of a former Jewish concentration camp inmate, Theodore Lehman, describing forced labour in a German armaments factory (cited in Ferencz 1979, p. i).

### 7.1 Introduction

Chapter six described the processes and actions that resulted in loss of financial *bios*, and which stripped people of an important component of their human identity. This chapter makes use of the second panel in the theoretical triptych of loss to explore the political aspect of *bios* (see Figure 15, see also section 4.4.3.2). In a similar way to chapter six, Degussa and I.G. Farben will be examined, as well as Ford Werke, to illustrate the loss of political *bios* under the tenets of thanatopower. This chapter will spotlight how the loss of political *bios* exposed the Jewish workers and other ‘undesirables’ to death through the most onerous and exhausting working conditions. In contrast to this, it is shown how Aryan workers were *made to live* through the provision of adequate lodgings, food and medical support.

This chapter proceeds as follows. An introduction to the camp system and the policy of forced and slave labour is given in section 7.2. Section 7.3 situates forced and slave labour at the epicentre of the *state of exception*. Several case studies are then presented of forced and slave labour in the concentration camps that housed workers from Degussa (section 7.4), I.G. Farben (section 7.5) and Ford Werke Aktiengesellschaft (section 7.6). Section 7.7 provides conclusions for this chapter, including how the loss of political *bios* precedes final loss of actual life in the thanatopolitical State.



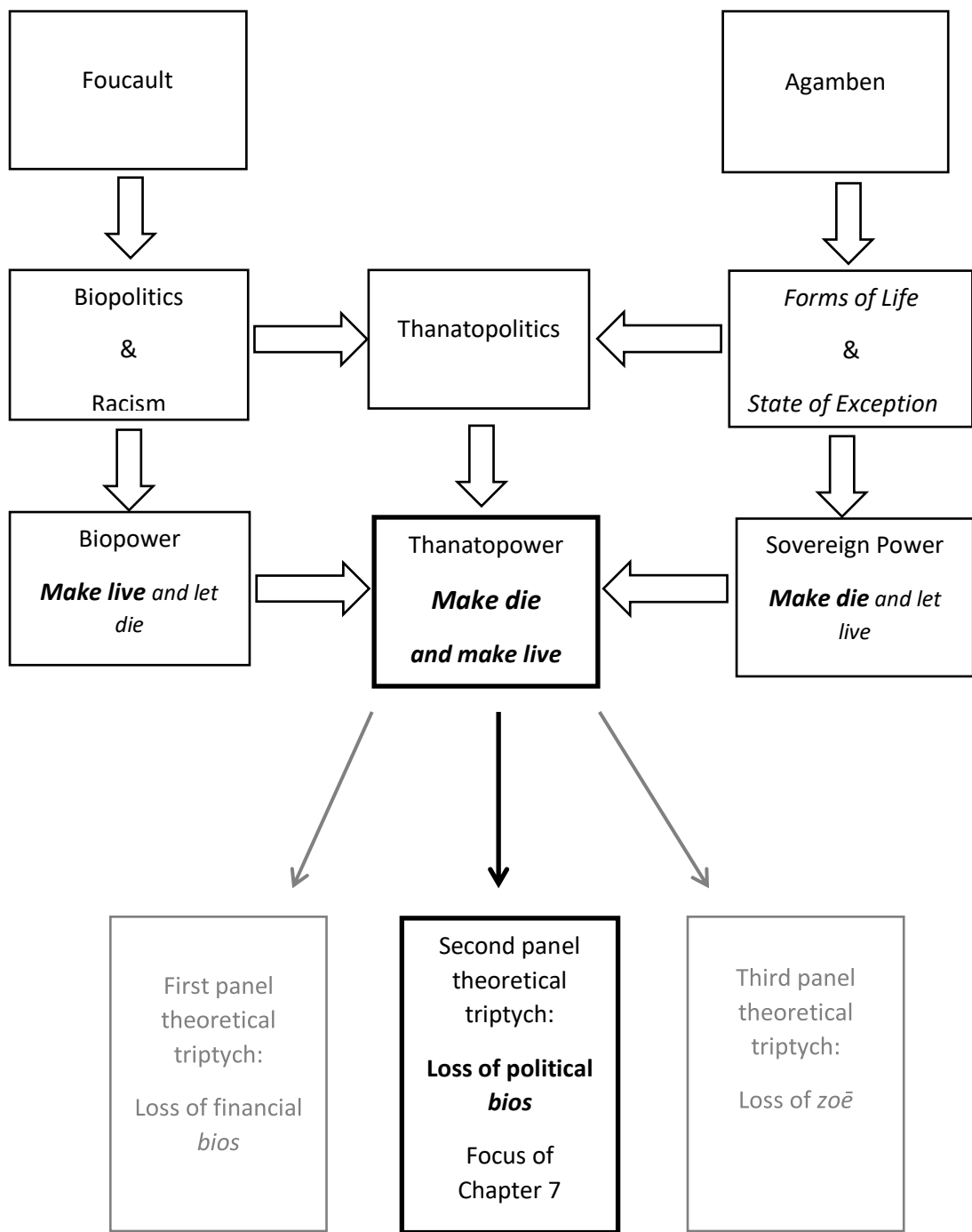


Figure 15 - Theoretical structure highlighting the second panel of the theoretical triptych

## 7.2 Forced and slave labour

Forced and slave labour has been well canvassed in the historical literature (see for example Hilberg 1983; Lawton, 2002; Levi 2003, 2013; Frankl 2004; Allen 2005; Jaskot 1999;

Kogon 2006; Pollard & Banks 2008; Mailänder 2015). This thesis focusses on specific companies that made use of forced and slave labour, and ultimately created the '*homo sacer*', or *bare life*. This section presents a contextual background that will inform the later discussion of the use of forced and slave labour by the firms Degussa, I.G. Farben and Ford Werke. First, an introduction to the camp is provided, detailing Agamben's use of the camp as a paradigm for the political systems of contemporary Western society. The use of slaves and forced/slave labour as a direct result of the loss of financial and political *bios* is then discussed. The economic rationality of forced and slave labour is examined in the context of modern racism. Finally, a brief insight into the conditions of the camp is provided.

### 7.2.1 Introduction to the camps

The concentration camps across Germany and occupied territory during the Holocaust served two primary functions. The first was to house involuntary workers close to the factories where they would be 'leased' out to businesses (Hayes 1987, 2004; Goldhagen 1996; Billstein et al 2000). The second was to exterminate the Jews of Europe, as part of the 'Final Solution' (Newton 1990; Goldhagen 1996; Hochstadt 2004). Concentration camps could therefore be termed work camps, death camps, or a combination of the two. The camps that are discussed in this thesis include the camps Gleiwitz (sub-camp of Auschwitz operated by Degussa), Monowitz (sub-camp of Auschwitz operated by I.G. Farben), Ravensbrück (from which labourers were sent to Degussa) and the work camp Buchenwald (operated in part by Ford Werke). All of the camps examined in this study were combined work and death camps.

The labour that was used during the Holocaust can be divided into three main groups: paid labour of German citizens, paid labour of foreigners (French, Polish and Russian labour) and unpaid labour of the sub-races (Jewish labour) (Billstein et al 2000). This thesis focusses on the latter two, particularly unpaid labour of Jewish workers. Paid labour of foreigners constitutes

forced labour, in that they had no other viable option once Germany had invaded their homelands (Billstein et al 2000). Unpaid labour of Jewish workers constitutes slave labour as they were forced to work for nothing. Companies paid for slave labour, but this was paid to the State instead of to the workers, akin to a 'leased assets' transaction (Hayes 2004). Forced and slave labourers were housed in the infamous concentration camps, a place Arendt called "laboratories in the experiment of total domination" (cited in Agamben 1995, p. 120).

The camp can be distinguished from the prison in that it was an "institution of incarceration that housed Jews or non-Jews on a permanent or semi-permanent basis, and which was not fundamentally subject to legal restraint" (Goldhagen 1996, p. 170). The German concentration camp, as an institution within history, comprised a place for "the systematic slaughter of designated enemies, principally of Jews, the enslavement of people, primarily 'subhumans', for economic benefit, and the incarceration and punishment of the enemies of the new Germany" (Goldhagen 1996, p. 170). The camp became a thanatopolitical space, wherein the perceived 'subhumans' according to German racial ideology were actually reconfigured into subhumans. "Dehumanising each person by robbing him[her] of his[her] individuality, by rendering each, to the German eye, but another body in an undifferentiated mass, was but the first step towards fashioning... 'subhumans'" (Goldhagen 1996, pp. 175-176). Goldhagen claims that a central feature of the camp was the "transformation of the victims to conform to the Nazi image of them" (1996, p. 175). The camp differed radically from the prisons before and after it, as penal law typically remained within the normal order.

The *state of exception* was given a spatial designation in the concentration camp. The camp represented "the implacable and methodical attempt to overcome the division dividing the people, to eliminate radically the people that [are] excluded" (Agamben 1995, p. 179). The camp was a thanatopolitical "space that correspond[ded] to this originary structure of the *nomos*...[and] the juridical constellation that guide[d] the camp [was] martial law" (Agamben

1995, p. 20). Agamben claimed that the camp exists “not as a historical fact and an anomaly belonging to the past...but in some way as the hidden matrix and *nomos* of the political space in which we are still living” (1995, p. 166). He posited that the camp was (and is) the paradigm of modernity (Agamben 1995), a claim that is not without controversy. Mayer called this an “outrageous provocation” (1997, p. 21) and La Capra asserted that this is Agamben’s attempt to rise in prominence within critical theory by raising the theoretical stakes (2007, p. 133). Agamben qualified his position, noting that he used the camp as a paradigm in a similar genealogical way to Foucault. For Foucault (1977a), the panopticon was the “emblematic figure for a new age of disciplinary power and governmental control” (de la Durantaye 2009, p. 215). In what he considered a similar genealogical and paradigmatic approach, Agamben utilised the camp as an *example*, akin to Plato’s use of the paradigm (de la Durantaye 2009, p. 215). Agamben claimed:

when I say paradigm, I mean something extremely specific – a methodological approach to problems, like Foucault’s with the panopticon, where he took a concrete and real object but treated it not only as such but also as a paradigm so as to elucidate a larger historical context (Agamben et al, 2001, p. 19 in de la Durantaye 2009, p. 218).

The paradigm of the camp utilised by Agamben therefore traversed the same threshold as the sovereign, as both are “within and lying beyond the set of phenomena it represent[ed] – and it is no coincidence that Agamben [chose] to pair these two investigations” (de la Durantaye 2009, p. 218). This thesis accepts Agamben’s use of the *camp* as a paradigm, as a methodological example employed to view historical and contemporary instances of the *state of exception* and internment of the *homo sacer*.

The camps in Germany were not the first or last that separated, segregated and interned people based on State policy. They were also present in countries such as Italy<sup>93</sup>, France<sup>94</sup>, Cuba<sup>95</sup> and South Africa<sup>96</sup> among others. Modern camps house suspected terrorists (Guantanamo Bay), illegal immigrants (the multitude of Immigration and Customs Enforcement (ICE) camps that have appeared around the United States and Mexico border) and refugees (detention centres such as those operated on the Republic of Nauru). The camp is an historical space that has been prevalent in contemporary society as both a space and paradigm, borne out of the *state of exception*. Agamben explained that “in the camp, the *state of exception*, which was essentially a temporary suspension of the rule of law on the basis of a factual state of danger, [was] now given a permanent spatial arrangement, which as such nevertheless remain[ed] outside the normal order” (1995, p. 169). The camp [was] the physical space that segregated the races and the *bios* and *zoē*, but the boundaries of the *state of exception* remained indistinct and dynamic, shifting constantly according to the political and social landscape determined by State ideology. In the Nazi State, the *state of exception* was designated to intern those who had lost their financial and political *bios*.

### 7.2.2 Slaves and slave labour

The *Nuremberg Laws* (1935) stripped Jews of their German citizenship, leaving them vulnerable and without legal and political protections. After the loss of financial *bios*, the State rounded up Jewish citizens, without reason, and transported them to camps. Not only were the

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<sup>93</sup> For example, the herding of all illegal Albanian immigrants in 1991 into a stadium before sending them back to their country (Agamben 1995, p. 174).

<sup>94</sup> The *zones d’attentes* in French airports for foreigners seeking refugee status can be classified as a camp (Agamben 1995, p. 174).

<sup>95</sup> The *campos de concentraciones* created by the Spanish in 1896 to quell resistance in Cuba (Agamben 1995, p. 166).

<sup>96</sup> The concentration camps operated by the British for interning insubordinate Boers during the Second Boer War from 1899-1902 (Agamben 1995, p. 166).

Jews placed within the camp indefinitely, they were subjected to the absolute power of the State. In the juridically void space of the camp, legalised lawlessness became the *nomos* (Agamben 2005). The Jews were subjected to brutality, malnourishment and the constant fear of death, and were forced to labour in various factories across Germany to assist with war labour shortages and war demands. They were also expected to do so without payment. If a Jew was not fit to perform this labour, they were immediately sent for 'selection' to the gas chamber (Judgement of the International Military Tribunal, Nuremberg, Germany, October 1, 1946, cited in Ferencz 2009, p. 1). These acts were indicative of the consequences of lost political *bios*. Being forced between unpaid slave labour or death was not a choice, it was a revocation of personal freedoms, protections and choice. If labour was the only shield to the crematorium then the Jews were constrained in their options, thus depriving them of their political, free-willed life.

Ferencz claimed that in a sense, Jews were not slaves, as "slave masters care for their human property and try to preserve it; it was the Nazi plan and intention that the Jews would be used up and then burned" (2009, p. xxv). Since we have no other word at our disposal, slave will have to suffice, despite the difference between the notions of human capital and "unpaid workers who [were] earmarked for destruction" (Ferencz 2009, p. xxv). Their destruction was sealed at the Wannsee Conference<sup>97</sup>, where Minister Goebbels recorded in his diary in 1942 that "the procedure is a pretty barbaric one...not much will remain of the Jews. On the whole it can be said that about 60% of them will have to be liquidated whereas only about 40% can be used for forced labour" (cited in Ferencz 2009, p. 18). It was evident that at the outset, the Jews were only allowed a stay of execution based on their productive capacity. It was suggested "to kill only 7-8 million Jews, thus 'preserving labour material' in order to deal with the wartime shortage of workers" (Viktor Brack<sup>98</sup>, cited in Hochstadt 2004, p. 141). It was always implied that

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<sup>97</sup> For further information on the Wannsee Conference see section 8.2.

<sup>98</sup> Organiser of the Nazi Euthanasia Programme.

the use of Jews as slave labourers was a short-term solution, as 'death through labour' became the imperative. Instructions from Höss<sup>99</sup> detailed that:

the whole Jewish question will be solved in general for all of Europe after the war at the latest...Jewish manpower is to be used for heavy manual labour. The standing rule for the employment of Jewish labour is the complete and unyielding use of Jewish manpower regardless of age...Care is to be taken that Jewish labour is used only in productions which will suffer no noticeable interruption in case of a rapid withdrawal of these labour forces...It is to be avoided in every case that Jewish workers become indispensable in essential production... (cited in Ferencz 2009, p. 13).

The arrangements for slave labour were unique in the German context, as were the accounting techniques used to identify the flow of labourers and the supervision of production (Allen 2005). The companies who utilised slave labour, contrary to popular belief, *did* pay for it (Hayes 2004). They did not pay the labourers, but rather the State. The State effectively treated the Jews as leased assets, reaping the financial benefits in the form of 'labour hire' (Hayes 2004). "Accounting information detailed the [costs of] concentration work camps and extermination costs of prisoners, war costs unique to Germany" (Lippman & Wilson 2007, p. 290). In some instances, the accountants recording related slave labour transactions were Jews<sup>100</sup> (*Trials of War Criminals* 1950a). By the end of 1944 "over half a million [Jewish] inmates were leased out by the SS to hundreds of German firms" (Ferencz 2009, p. 187). This work:

put into motion beings whom the Germans themselves had already condemned in death, socially dead beings with a temporary lease on socially dead life. In its essence, Jewish 'work' was not work in any ordinary sense of 'work', but a suspended form of death – in other words, it was death itself (Goldhagen 1996, p. 323).

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<sup>99</sup> Longest serving commander of Auschwitz.

<sup>100</sup> The Jewish accountants were replaced by German accountants and bookkeepers after their extermination (Lippman & Wilson 2007, p. 290).

In the removal of their personal liberty and freedom, their lost political *bios* rendered the Jews socially dead (Goldhagen 1996). The Jews were “violently dominated, natively alienated, and deemed incapable of bearing honor... not thought to be a part of the human race, and who were seen to have virtually no utilitarian value” (Goldhagen 1996, p. 169). This perception of Jewish slave labour filtered into the camps and was reflected in the conditions forced upon them. Suspending the Jews in a form of death continued the dehumanisation process that ultimately resulted in horrific acts of inhumanity.

As the war progressed, Jewish labour declined, with many able-bodied Jews bypassing the ‘suspension of death’ stage, to be delivered directly to the gas chamber. This was despite the labour shortage becoming more acute as the war progressed (Goldhagen 1996, p. 158). Goldhagen argued that:

this [was] significant because it demonstrate[d] unequivocally that the priority given to the extermination of the Jews, both by Hitler and the Nazi leadership, as well as to those commanding and staffing the concentration camp and ‘work’ camp system, was so great that the Germans wilfully destroyed irreplaceable and desperately needed Jewish labour and production, and thereby further imperilled their prospects of military victory (1996, p. 158).

The supremacy of the racist ideology of the Nazi State during Aryanisation, as reflected in the previous chapter, was reinforced by the Nazi State approach to labour. It emphasised the irrationality behind Nazi State ideology, and the blind pursuit of *Judenfrei* that sought to destroy the German Jewry, that effectively resulted in the destruction of the Nazi State.

### 7.2.3 Economic rationality vs ideological fanaticism

Prior to the outbreak of war, there was strong competition for workers between firms. Wages were set by the market demands for labour, especially as the labour pool became increasingly smaller due to anti-Semitic legislation (Grunberger 1971). Unsurprisingly, Nazi



economic policy remedied this practice, and trustees of labour were appointed in 1938 to set maximum wages (Grunberger 1971, p. 190). This did little to quell labour shortages and so the State offered concentration camp inmates for lease. A compromise between *Judenfrei* and industry labour needs was reached, to “spare those who would work, as long as they could work, and kill all the others” (Ferencz 2009, p. 18). This was expressed in communication between Himmler and Oswald Pohl, the man in charge of concentration camp labour, who euphemistically stated “the able-bodied Jews, destined for eastward migration [extermination] must therefore interrupt their journey and do armaments labour” (Goldhagen 1996, p. 321).

The work set for the Jews was hard labour, designed to facilitate an extermination-through-labour program. At the Wannsee Conference, Heydrich informed the assembled ministers and bureaucrats that “the Jews will be conscripted for labour...and undoubtedly a large number of them will drop out through natural wastage” (cited in Goldhagen 1996, p. 322). Hitler’s desire to exterminate the Jews not only ran “contrary to capitalism” (Goldhagen 1996, p. 320), but contrary to the economic best interests of the Nazi Party. By exterminating one of the few remaining sources of labour, Germany’s war efforts directly suffered. Dr. Max Horn, an SS officer and university educated accountant, soon realised that the ill-treatment of Jewish workers had “resultant negative impact on production” (Lippman & Wilson 2007, p. 290). He stated that “if the SS wished to exploit prisoners, some modicum of preservation of life had to take precedence over the denigration of the work Jews” (Allen 2005, p. 248). Goldhagen argued that this fed into the unspoken principle of Nazi Germany, “that matters of economy would not dictate German ‘rationality’ in their treatment of Jews. Economic self-injury generally worried or deterred neither Hitler nor the lowliest camp guard” (1996, p. 311). This was evident even before the intensification of Jewish killing, as enslaved human beings were subjected to beatings, crippling or other forms of maltreatment.

The economic imperative was subservient to the exterminationist imperative. This is reflected in the “health-destroying pace of work” (Goldhagen 1996, p. 322), where life expectancy (or duration of leased labour/depreciation) was 9 months (Lippman 2009, p. 65). Goldhagen articulated this irrationality and its transformative power as:

the assumption of extermination and immiseration transformed economic production itself into the handmaiden of the genocidal destruction of the workers. Even the profit sheets of particular enterprises do not tell a story of economic rationality; they hide the gargantuan hidden economic cost of the German exterminationist policies. Getting a young, healthy, skilled worker to weave the rope and build the gallows (with bloodied, swollen, stiffened hands and substandard tools) from which he will hang can be seen as an economically rational use of his labour power only by those who want him to hang and who do not care about the loss of his valuable productivity (1996, p. 322).

The centre of this phenomenon was “a triumph of politics and ideology over economic self-interest” (Goldhagen 1996, p. 323).

#### 7.2.4 Conditions

The conditions of the camp varied widely, depending on the camp and the racial designation of the inmate. The “signs of human suffering were everywhere” (Kogon 2006, p. xii). The camps were the physical incarnation of the *state of exception*, with the inmates reduced to *bare life* with no legal/political protection. This allowed the camps to house the inmates in terrible conditions, with lice-infested bedding, threadbare blankets inadequate for the German winter, meagre food supplies and the constant threat of unmitigated violence.

While the conditions were terrible throughout the camp system, “by far the worst were the conditions of the Jews. Five times as many Jews were crowded into the barracks as the

number of ethnic German workers” (Ferencz 2009, pp. 24-25). Kazimierz Tarnawski, a survivor, recalled:

the older prisoners told us they had already been in Cologne. They had known we were going to Cologne. They told us it would be better than in Buchenwald. Some of them had even been in Auschwitz. They said that by comparison Buchenwald was a resort. Auschwitz was the worst concentration camp... (cited in Billstein et al 2000, p. 185).

The racial hierarchy that created the biological split in the German State permeated the camp. “As a rule, Germans employed ‘racial’ criteria in determining the general treatment, the amount and nutritional value of food, and the job assignments that they gave to Jews and non-Jews” (Goldhagen 1996, p. 312), reducing the Jew to *bare life*. Thanatopower would be applied in *making the Jew die*.

Arbitrary and cruel punishments defined the camp. Soldiers operating the camps had nicknames for the Jews according to their jobs. “At Mauthausen Jews about to be pushed over the edge of the quarry precipice were called ‘paratroopers’” (Grunberger 1971, p. 339). At Auschwitz prisoners employed in the extraction of tooth fillings from the mouths of gassed corpses were referred to as “the gold-diggers of Alaska” (Grunberger 1971, p. 339). At Treblinka, Jews were employed to carry the gassed corpses of their fellow Jews to the crematorium, with the slackers referred to as “child specialists” (Grunberger 1971, p. 340). Starvation forced the inmates to extreme measures. Charlene Schiff admitted:

that I ate raw rats, yes, I did. Apparently, I wanted to live very, very badly, because I did undescrivable things. I ate things that no one would dream of being able to (Personal Histories with Charlene Schiff, USHMM 2018).

The Russian POWs regressed to cannibalism (Grunberger 1971, p. 148). Escape attempts were punished at Buchenwald and Sachsenhausen by placing the inmate into a wooden box, “one side covered by chicken wire. The box was only large enough to permit the prisoner to crouch....

large nails driven through the boards, [pierced] the victim's flesh...for two days and three nights, without food. His dreadful screams had long since lost any semblance of humanity" (Kogon 2006, pp. 101-102). Other punishments included confinement in the 'dog cells' at Dachau, "where the prisoners could only lie huddled on one side and had to bark for their food when it was passed to them" (Kogon 2006, p. 225). Even acts of kindness were punished severely. After one inmate fell ill with dysentery, he gave his food to another starving inmate. When the soldiers heard of this they "had the man thrown in a large kettle of boiling water, intending for preparing coffee for the camp. The sick man was scalded to death, but the coffee was prepared from the water all the same" (Kogon 2006, p. 186). These examples constitute just a small insight into the senseless, barbaric cruelty inflicted onto those who had lost their financial and political *bios* and were reduced to *bare life*. The camps may have differed slightly in their conditions, but the ritual humiliation of prisoners was prolific (Kogon 2006, p. xv).

The conditions of the camp infiltrated the factory, where the worst, or most physically exhausting tasks, were assigned to the Jews (Hochstadt 2004). Food rations were reduced for Jewish workers and they remained working in unskilled tasks. No factory wanted to invest money training a worker who was in a state of suspended death (Billstein et al 2000). There were no days off for the Jews, and they were forced to walk between the camp and the factory, even in freezing conditions. There was no reprieve for the Jews, night or day. Roll calls in the middle of the night further exhausted the Jews and contributed to their poor health. Based on the conditions just described, it was clear that if the Nazi's death by work policy didn't succeed, the conditions of the camp would finish the job.

The focus of this thesis is not on the concentration camp as such. It is on the use of forced and slave labour in the factories of businesses who housed their workers within the barracks of the camp. While a broad contextual underpinning of the camp was essential to situate this study among 'new' accounting history, from this point, the focus will be on the

people who were placed into forced and slave labour, and the deprivation of their political *bios* enabled through business use of labour.

### 7.3 Forced/slave labour and the loss of *political bios*

Many of the distinctive legislative instruments designed to rid the Jews of their *financial bios* were also successful in removing their *political bios*. The progression of laws designed to remove Jews from the German economy and from Germany itself served to denationalise Jews. Their loss of financial *bios* made them vulnerable to further incursions into the private sphere of the individual. The revocation of their political *bios* as part of the *Nuremberg Laws* (1935) meant that “life and death [were] not properly scientific concepts but rather political concepts” (Agamben 1995, p. 164). “What [was] decisive [was] that for the Nazis these laws had an immediately political character” (Agamben 1995, p. 149), masked by the pseudo-scientific categorisation of race. By classifying Jewishness as a race, and then categorising what constitutes ‘Jewishness’, the State captured all citizens with their sovereign *ban*. In effect, the *Nuremberg Laws* (1935) allowed for the “possibility of denationalisation to hang implicitly over everyone” (Agamben 1995, p. 149). Political *bios* was revoked for all those denationalised, which resulted in lost liberty and personal freedoms, exemplified through the practice of slave labour. Foreign labourers whose political *bios* remained in question during German occupation, were also caught within the sovereign *ban*, as they were placed within camps and forced to labour for Germany and German corporations. The thanatopolitical program of the State enabled control to be extended over all within its gaze (Agamben 1995, p. 150).

The camp acted “as the absolute space of exception, in which the link between localisation and ordering [was] definitively broken, [which] has determined the crisis of the old ‘*nomos of the earth*’” (Agamben 1995, p. 20). The camp became the space to hold *bare life* in

the policy of extermination-through-labour, while also housing the foreign workers essential to the human capital needs of Germany. Agamben explained that “whoever entered the camp moved in a zone of indistinction between outside and inside, exception and rule, licit and illicit, in which the very concepts of subjective right and juridical protection no longer made any sense” (1995, p 170).

The camp conformed to the paradoxical status of many of Agamben’s concepts. He explained that:

the camp [was] a piece of land placed outside the normal juridical order, but it [was] nevertheless not simply an external space. What [was] excluded in the camp [was], according to the etymological sense of the term ‘exception’ (*ex-capere*), *taken outside*, included [in the new *nomos*] through its own exclusion. But what [was] first of all taken into the juridical order [was] the *state of exception* itself. Insofar as the *state of exception* [was] ‘willed,’ [implemented by the State through an emergency] it inaugurates a new juridico-political paradigm in which the norm becomes indistinguishable from the exception [i.e. the *state of exception* [became] the new *nomos* of politics]. The camp [was] thus the structure in which the *state of exception*...[was] realised *normally*. The sovereign no longer limits himself, as he did in the spirit of the Weimar constitution, to deciding on the exception on the basis of recognising a given factual situation (danger to public safety): laying bare the inner structure of the ban that characterise[d] his power, he now de facto produce[d] the situation as a consequence of his decision on the exception [i.e. everything is possible] (1995, pp. 169-170).

The camp highlighted the movements of the slave and forced labourers, in that they were *included through exclusion, or taken outside the nomos* through the declaration of the *state of exception*. They become included within the normal order, the *exception* that became the rule, as the *state of exception* became a permanent spatial arrangement. Understood in this way, the camp could be seen as not an “historical fact and an anomaly belonging to the past...but in some way as the hidden matrix and *nomos* of the political space in which we are still living” (Agamben 1995, p. 166).

This chapter explores, through case studies, businesses who housed their forced and/or slave factory labour in concentration camps. The case studies reveal the racial hierarchy of the camps, the treatment of workers, and the thanatopolitical imperative of the Nazi State. As was shown in chapter six, little was done by Degussa and I.G. Farben to try and *make live* their workers. Slave labourers “were not treated even as productive assets. Rather, in most cases, these humans were treated as commodities to be used up in the production process” (Lippman & Wilson 2007, p. 298). The active encouragement of forced and slave labour, perceived as cheap and good for business, disregarded the violence, degrading treatment and starvation that the workers were exposed to. The complete disregard by the companies and the Nazis for the fate of their workers, particularly the Jew, is evident. The human side of forced and slave labour was largely discounted by not only the SS guards at the camps, but also the managers and executives of businesses who employed this labour. The loss of political *bios* removed the personal freedom and liberty of Jews and foreign workers. At the time, the silent accounts of the workers were unimportant. These case studies highlight not only the accounting for workers, condensed into the cost of labour or associated costs of labour (e.g. rations, clothing etc.), but also the human side, in which the ‘Other’ is made visible, and their experiences given value. Survivor testimony which exposes the conditions of the camp, the violence endured and the lasting impact, adds richness to the understanding of forced and slave labour during the Holocaust. Companies are directly implicated in the inhumane and callous treatment of people as part of the thanatopolitical imperative of the State, sanctioned by thanatopower. By examining the life of those without political *bios*, possibilities for the final loss are laid bare. From here, the extermination of *bare life* via the gas chambers is inevitable (as will be shown in chapter eight).

The next three sections explore the use of slave and forced labour by three companies, namely Degussa, I.G. Farben and Ford Werke. Within each of these sections are a selection of

case studies which highlight particular aspects of the thanatopolitical imperative to *make die* the political life of Jews and other persons.

#### 7.4 Degussa

After Degussa engaged in the 'Aryanisation' process that divested Jews of their financial *bios* (see chapter six), it became complicit in the use of slave and forced labour that was possible with the removal of Jewish political *bios*. Labour supply and wage rates were determined by the State, upon which Degussa became dependent for its continued operation. Degussa had to align its corporate goals to that of the Nazi State, "lest the State impose new forms of control, compulsion and competition" (Hayes 2004, p. 195). In other words, Degussa had to contribute to the programs of autarky and armament, while subordinating its profit imperative, in order to receive State favours. The conditions attached to labour supply "virtually transformed the company into an agency of the German State, reducing Degussa's role, in effect, to an advisory and administrative one" (Hayes 2004, p. 123).

By 1939, the labour market had little elasticity, as the majority of Germans were already employed, and other human capital was being siphoned off for the war effort (Jaskot 1999). The dual pressures of a reduced workforce and increased demands for war products ensured Degussa's "readiness to take almost any workers it could get" (Hayes 2004, p. 237). In 1940, the managing board recorded that "we are forced to prepare to take on for now fifty Russian civilian workers" (Hayes 2004, p. 242). As the war continued, Degussa's "workforce became increasingly non-German" (Hayes 2004, p. 243), averaging a 32 percent foreign workforce across its numerous installations. This trend continued in other businesses, with I.G. Farben at 40 percent and German armaments firms at 30 percent by 1943 (Hayes 2004, p. 244). Over the next five years:



Degussa and its subsidiaries came to employ thousands of European civilians and prisoners of war under varying degrees of duress and discomfort and at often discriminatory rates of compensation. Even worse, the concern undertook to lease somewhat lesser numbers of inmates from ghettos and concentration camps to labour on much harsher terms in return for payments per head and per day, not to these victims, but to the agencies that furnished them (Hayes 2004, p. 237).

Besides giving the more arduous and dirty work to the Jews (Hayes 2004), Degussa tried to distance itself from knowledge or responsibility over the living conditions in their barracks. One survivor from the first shipment of Jews to a Degussa plant remembered that “the food was catastrophic” (Hayes 2004, p. 258). In addition:

the clothing [was] insufficient during winter, the footwear made of wood, and the labour both hard – largely because it consisted of excavating deep foundations for a subcontractor...with only shovels – and, on occasion, murderous. In addition, the housing appears to have been overcrowded during most of 1942 (as it would be again later) and sometimes flimsy, since barracks were delivered slowly and partially recycled from other building sites (Hayes 2004, p. 258).

Forced labour first appeared attractive for Degussa executives during inspection of a new site for an installation. The executives speculated that “during the construction, the circumstance could be very favourable, that in the first months of 1940 a prisoner camp designed for 10,000 Poles will be ready close by, from which laborers apparently can be obtained for 3 RM per day” (Hayes 2004, pp. 250-251). This represented substantial savings for Degussa, as the local wage rate was 3.84 RM per day (Hayes 2004, p. 250). These initial savings were soon eclipsed by the additional costs levied by the State for its ‘leased assets’, where:

each worker was to cost Degussa 3.0 RM per hour, from which the enterprise could apply 1.50 RM per day to the costs of room, board, and guards (any remainder, minus a tax payment at the unmarried person rate, was to be divided between the ghetto administration and the labourer on a ratio of 80:20). Though Degussa was relieved explicitly of furnishing sheets for the inmates, it was nominally required to make shoe and clothing repair facilities available, along with hot

water, showers, and a laundry room. These stipulations, along with an estimated charge of some 44,000 RM annually from the Wach-und Schliessgesellschaft of Breslau, 'which had assumed the guarding of Jew camps for the Reichsautobahnen until now, seem to have concerned the building staff at Furstenberg.' It foresaw 'extraordinary final figures for additional expenses per year.' Moreover, Degussa was soon complaining that the work of 150 Jewish laborers, who now constituted 41 percent of the 362 personnel on site, was comparable to 'at most ninety workers,' especially because so many were ill. Apparently to offset this deficiency, fifty more Jews arrived on April 20. Here the relevant extant records abruptly trail off (Hayes 2004, p. 252).

Thus, the cost differential was almost negligible between German and forced/slave labourers. The cost disadvantage of using a Jewish worker was exacerbated by a productivity disadvantage, as Degussa paid almost the same for unproductive Jewish labour as productive foreign labour. The horrific conditions the Jews were subjected to led to decreased labour efficiency. According to Hayes, this meant that Degussa obtained virtually no profits from inmate labour (2004, p. 270). Any profits that were earned were re-routed, like compulsory Aryanisations, to the State. Hayes considered that "arithmetic of this sort is uncertain and cold, and it ought not divert attention from the ghastly realities of inmate labour, including the fact that its victims saw none of the income, which went partially to those who confined and underfed them and primarily to the SS and thus ultimately the Reich Treasury" (2004, p. 264).

As has been highlighted throughout this thesis, neoclassical economic rationales were never a driving factor of the political aims of the Nazi State. Where its racial ideology could be supplemented by financial gain, advantages were taken, but the State's "increasingly counterproductive, cruel, cumbersome, and chaotic program of labour exploitation" (Hayes 2004, p. 270) was not motivated by financial interest. Hayes asserted that "it [was] neither morally nor historically sound to measure its evil by its lucrativeness" (2004, p. 271). The managers and executives of German corporations, including Degussa, exhibited little to no hesitation in taking advantage of the forced and slave labour system. "By cooperating, they encouraged and perpetrated it; in many cases, they aggravated it as they attempted to twist the

regime's actions into economically rational and politically beneficial forms" (Hayes 2004, p. 271). The macropolitical and legal forces that shaped the actions of businesses ultimately had terrible consequences for the Jewish people. The complicity of Degussa is highlighted in two case studies: Deutsche Garusswerke (section 7.4.1) and the Auer (section 7.4.2).

#### 7.4.1 Degussa's Deutsche Garusswerke (DGW)

Separating political *bios* from an individual occurred in "a zone of indistinction between the human and the animal" (Agamben 1995, p. 106). What followed was a "continuous transition between man and beast" (Agamben 1995, p. 109), as thanatopower "designate[d] a life that is difficult to identify as human" (de la Durantaye 2009, p. 265). The loss of political *bios* divested the individual of their humanity, leaving them exposed to the violence of the State. For some, the loss of political *bios* led to not only forced and slave labour, but the most "absolute *condition inhumana*" (Agamben 1995, p. 166): i.e. the camp.

The Deutsche Garusswerke (DGW) at Gleiwitz was a partnership between Degussa and a "consortium of German tire manufacturers [to make] carbon black, a soot like granular substance that, when added to rubber, increases its durability" (Hayes 2006, p. 9). Carbon black was essential to the programs of autarky and armament and, as such, ensured that Degussa would have the support of the State in constructing a second plant. The plant would be capable of producing more carbon black and would be "located in a less militarily exposed region" (Hayes 2004, p. 116). Degussa was able to exploit its head start in carbon black production, and so "managed to coopt a competing technology, gain access to the proceeds on growing demand...and limit its exposure to possible changes in international market conditions" (Hayes 2004, p. 119). Degussa went from a position where 2.5 percent of its sales were provided by carbon black in 1938/39 to 47.4 percent in 1942/43 (Hayes 2004, p. 336). The foundations laid during this time effectively set Degussa up for not only monopolising carbon black production

during the Nazi era, but also its subsequent status as “the second-largest producer of carbon black worldwide<sup>101</sup>” (Hayes 2004, p. 120).

The exponential growth of carbon black production “came to be powered by its barbaric exploitation of human beings” (Hayes 2004, p. 120), including contingents of concentration camp inmates from the infamous Auschwitz<sup>102</sup>. The inmates at Auschwitz represented “human lives that have so lost the quality of legal good that their very existence no longer has any value, either for the person leading such a life or for society” (Agamben 1995, p. 138). For businesses, this life was only valued as long as it could be productive. The SS agreed, and so there was a brief interlude between Aryanisation and the Final Solution in the factory. For Hayes, this situation “symbolise[d] the close connection of this product, and thus of the firm, with the terrible toll Nazi aggression would exact” (2004, p. 120). Although survivor testimony attested that Degussa managers ‘never entered the barracks’ they managed and operated, the head of the plant, Robert Pross:

went at least twice in the second half of 1944 to choose labourers from the concentration camp, and he learned either there and then or by other means at roughly the same time of the mass murder being perpetrated. Closer to home, he admitted later to having known of the increasingly wanton and debilitating cruelty meted out toward the male labourers and the petty restrictions that harassed the female ones (cited in Hayes 2004, p. 266).

The conditions imposed on the workers varied, but all were exposed by their lost political *bios* and internment within a *state of exception*. Anna Markowiecka recalled:

I was assigned to the most difficult and the dirtiest job in the plant – I had to pack the soot in the bags. There were huge pipes that would gather all the soot produced in different parts of the plant. You had to pack them in huge bags – a bit like you do with cement. The soot was going down on us from those huge pipes for eight hours straight every single day. That special kind of

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<sup>101</sup> Degussa moved its carbon black production into China in 1974, representing the first entry of a Western company into China (Orion 2014).

<sup>102</sup> Gleiwitz II was a sub-camp of Auschwitz.

soot (that was produced after some chemical reaction with gases) was very thick and greasy and it was very difficult to wash it off you...we had to scrub each other for a long time under the shower every day. The women were fainting in the shower as we weren't allowed to enter the barracks if somebody was dirty, so we had to shower first. The soap was the only thing that you can use to buy more bread. (Gleiwitz II, ASG 2017).

Degussa became complicit with the Nazi State's compulsory labour programs in the middle of 1939 at its dilapidated carbon black factory at Blankenburg (Hayes 2004, p. 236). The foreman at Blankenburg, a Nazi named Adolf Hilpert<sup>103</sup>, was swiftly dispatched to secure workers:

he and his Party comrades quickly agreed on several minor concessions concerning working conditions and decided to capitalise on new regulations by which the regime, after stripping most German Jews of their livelihoods, had begun assigning them to labour battalions. After pledging that 'the Jews requested by the plant will be kept separate from the rest of the workforce...applied to the most unpleasant work, and [be] supervised by a reliable Aryan work comrade', Hilpert proudly reported that 'the labour supply is guaranteed, and the previous constant objections of the DAF will stop' (Hayes 2004, pp. 236-237).

Hilpert's Nazi connections provided "a virtual guarantee of the supply of inmates to the site" (Hayes 2004, p. 265). Only inmates who had been denationalised were placed into the camps, and so all slave labourers had experienced a loss of political *bios*. The new carbon black factory, DGW, continued this trend and employed 200 Jewish construction workers. Despite Degussa's close interconnections with the State and evidence that "numerous people were killed while or as a result of working there" (Hayes 2004, p. 258), survivors claimed the conditions were better than those of similar installations. The new plant, according to survivors, contained "much better food, clothing and bedding and much greater attention to the cleanliness of the barracks" (Hayes 2004, p. 265).

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<sup>103</sup> Employed in that role as part of the State's Nazification of business.

There were, however, worrying developments at DGW. Over time, the treatment of inmates deteriorated (Hayes 2004, p. 266). Agamben explained that “it is as if every valorisation and every ‘politicisation’ of life...necessarily implies a new decision concerning the threshold beyond which life ceases to be politically relevant...” (1995, p. 139). The workers at DGW were tattooed, heads shorn, and clothed in the striped uniforms of the concentration camp with stars of David attached (Hayes 2004, pp. 265-266). Helena Chmielewska, a civilian worker at DGW attested:

the Jews who worked with me told me they were beaten on their way to the work. They were so thin and hungry. I didn’t pay attention to the fact if they had any tattooed numbers on their arms (Gleiwitz I, ASG 2017).

The long walks between factory and camp provided further opportunities for inmate mistreatment and the gradual wearing down of Jewish life through exhaustion. The devaluation of life facilitated through lost political *bios* saw the “interdependence of the forces of biology and economy as an inevitable fact” (Agamben 1995, p. 145). By November 1944, 76 percent of work completed at DGW was performed by slave labour. The negotiations between Pross, Hilpert and the Nazi State may have secured DGW’s workforce, but this came at “a troubling human cost” (Hayes 2004, p. 266). The slave labourers at DGW were placed within the *state of exception*, designated as *bare life*.

By May 1944, the SS had taken over DGW’s factory camp, incorporating it as part of the network of camps belonging to Auschwitz (Hayes 2004, p. 265). For Anna Markowiecka, Auschwitz was portentous:

I went through some selections, and as being unable to work, I was chosen to be sent to Oświęcim [Auschwitz]... I kept thinking about Oświęcim. We heard so many things about it. You couldn’t survive Oświęcim. You couldn’t stop thinking that Oświęcim means the end of everything – it meant death. I was in the camp for a year and a half then, but even though the Gleiwitz sub-camp was so hard, it was not a death camp (Gleiwitz II 2017, ASG).

Seeking avenues for cost savings and replacement of unproductive Jews, Degussa sought to 'dissolve' its Eastern Jew camp, reasoning "since we already have been contemplating giving the Eastern Jews back soon, this exchange corresponds closely to our way of thinking and fits into our plan" (Hayes 2004, p. 260). This correspondence speaks of the labourers as 'things' to be exchanged (see Heier 1988, 2010; Fleischman & Tyson 2000, 2004; Fleischman et al 2004; Oldroyd et al 2008; Hollister & Schultz 2010), rather than humans whose livelihood depended on the company. Replacing them with more productive workers in the form of forced labour consigned the Jewish workers to *bare life* and the inescapable fate of the *state of exception* - the gas chamber.

At DGW over 500 people perished while working for Degussa. This includes those who died of exhaustion and those who were 'exchanged' (Hayes 2004, p. 267). Degussa had determined which workers were 'expendable' and which were efficient. The managers':

nearly universal readiness to try to tame or tap into Nazi assaults on liberty and morality almost invariably made [matters] worse. As a result, the leaders of German industry and finance became deeply complicit in promoting the horrors their country visited on Europe and especially its Jews" (Hayes 2006, p. 7).

DGW was a stepping stone for the fate of the politically dispossessed – *homo sacer*. In conjunction with accounting practice that gave no value to the lived human experience:

Nazism determine[d] the bare life of *homo sacer* in a biological and eugenic key, making it into the site of an incessant decision on value and nonvalue in which biopolitics continually turns into thanatopolitics and in which the camp, subsequently, becomes the absolute political space (Agamben 1995, p. 153).

The systems involved and the complicity of firms in using involuntary and under or unpaid labourers are "reprehensible facts regardless of whether anyone made money on the arrangements" (Hayes 2004, p. 268). Hayes calculated that the per capita costs of workers

worked out to 122.73 RM per month for non-Jews and 123.20 RM for Jews (2004, p. 263). This, coupled with the relative disadvantages of using Jewish labour, made slave labour a costly enterprise for Degussa. The managers' initial interest at procuring such 'cheap' and constant labour blinded them to the fiscal realities, and the impact such actions had on the lives of the Jews. The progressive laws introduced throughout the Aryanisation period resulted in the loss of Jewish financial *bios* and then their political *bios*, ensuring internment within a *state of exception*. Their loss of liberty within the camp structure saw them forced to participate in Nazi slave labour programs facilitated by businesses. Using this labour without apportioning it any sort of value represents the period of suspended death prior to "annihilation of the nonvalue" (Agamben 1995, p. 137). The case of DGW highlighted how perceived 'cost-savings' did not always equal actual savings, with additional horrific consequences for the humans involved.

#### 7.4.2 Degussa and the Auergesellschaft

Degea AG became the Auergesellschaft ('Auer') after ownership changed hands from Alfred Koppel to Degussa, through the process of Aryanisation in 1934 (see section 6.6.2). As a producer of gas masks, poisonous gases and radioactive substances, Auer transformed from "an instrument of autarky into one of armament [resulting in] the simultaneous and virtually complete mutation of the Degea AG...into a purveyor to the German military" (Hayes 2004, p. 127). This was contrary to the wishes of Koppel, who saw his company taken from him and with it his financial *bios*. Despite the State allocating additional labour to it, Auer consistently fell behind on its production deadlines. To compound its cash flow crisis, the State (as the only customer) often paid only "75 percent of invoices upon receipt and [withheld] 25 percent until subsequent audits established whether Auer's profit margins conformed to official guidelines" (Hayes 2004, p. 222). Despite these constraints, Auer increased its profits by 99 percent from



1933/34 (the year Degussa took over) to 1938/39. Towards the end of the war, however, Auer profits decreased significantly. By 1944/45, profits were down 1,330 percent from 1938/39 levels (Hayes 2004, p. 339-340). Whether out of necessity, greed, or attempts to sustain its newly acquired subsidiary, Degussa was complicit in, and poorly rewarded for, the use and abuse of slave labourers.

The poor profitability of Auer was not the only loss for Degussa. Hayes claimed that:

Degussa appear[ed] never to have tallied its casualties from the fighting, the bombings, the conquests of its works, and the increasingly hasty and hazardous retreats, especially those from the eastern parts of Germany. But fragmentary references in the surviving documents to incidents or individual fates suggest that the number of deaths during the last year of the war probably ran well into the hundreds (2004, p. 312).

Unsurprisingly, the financial losses were accounted for while the human losses were not. In terms of buildings and equipment, Bernau calculated the losses from war were 75.7 million RM (as cited in Hayes 2004, p. 312). The “fighting and subsequent expropriations inflicted another 45 million RM in losses on the calculation”, as well as 61 million RM destroyed at Auer alone (Hayes 2004, p. 313). The use of forced and slave labour, similar to DGW, resulted in no savings for Auer and subsequently Degussa.

Auer resorted to concentration camp (Jewish) labour which it obtained from Oranienburg and Guben, at Gleiwitz I and II (Hayes 2004, p. 250). Nazism provided “redefinitions of the relations between man and citizen and became fully intelligible only when situated – no matter how paradoxical it may seem – in the [thanatopolitical] context inaugurated by national sovereignty and declarations of rights” (Agamben 1995, p. 130). Judy Freeman, an inmate of Guben, recalled that at Gleiwitz:

we were housed in rooms about forty, fifty people in a room, and we were not as crowded, not really as crowded as in Auschwitz. And I was beginning to be hopeful that if conditions are such

as this, it is manageable. Not great, but manageable. And that we would survive (Oral testimony of Judy Freeman 2018, USHMM).

Jewish workers were eventually replaced by captured Soviet soldiers (POWs) (Hayes 2004), who then replaced the German workers at underground installations at the insistence:

of the chief medical advisor to Konrad Henlein, the Gauleiter of the Sudetenland, [as] the high incidence of lung cancer among the native miners argued for replacing them completely with ‘foreigners or prisoners...whose premature death would be no loss to the German people’ (Hayes 2004, p. 243).

Thus, the POWs, as subhumans captured by the sovereign *ban*, were also without their political *bios*. The concentration camp labour supply from Oranienburg and Guben soon dried up, and Degussa was forced to employ 2,000 female inmates from Ravensbrück in mid-1944. Hayes lamented that “virtually all records concerning them or their time at Auer, however, appear to have been destroyed just before or after Soviet troops arrived in 1945, either by the enormous American air raids that levelled Oranienburg in mid-March or by the actions of German or Russian officials” (2004, p. 256).

Survivor testimony obtained by Hayes asserted that Auer paid the foreign workers 4 RM per day, minus any expenses for their rations (2004, p. 256). These expenses were manipulated by Degussa, with management pocketing the difference between actual and recorded costs, further depriving the workers of their worth. They worked 12-hour shifts, 6 days a week, resulting in over 270 deaths at Auer – either through exhaustion or air raids (Hayes 2004, p. 255). Further deaths ensued as the Soviet armies closed in, with the SS rounding up the remaining workers for ‘death marches’ (Hayes 2004, p. 256). Judy Freeman remembered they were taken aimlessly:

...through the roads of Germany. And we were not the only ones. In rows of five, always rows of five, with huge, these huge columns of humanity were marching up and down the roads in

Germany, led by, of course, and guarded by armed guards, through forests, through highways, through roads...Oh, the death march also is called that because it was wintertime and the roads were littered with corpses, everywhere (Oral testimony of Judy Freeman 2018, USHMM).

Thus, Degussa lost its workforce, and management stood by while their workers were rounded up and taken to die. Survivor testimony such as Judy Freeman's is powerful. Her evasion of *make die* while in the *state of exception* can shine a small light on the experiences of the silenced and the 'Other'. Her capacity to bear witness helps fill a 'lacuna' for Agamben (2002, p. 13) in which the silences can be addressed. As de la Durantaye explained, the State thought it had prevailed, "because they [the SS] had done the unthinkable – and the unthinkable would not be believed" (2009, p. 249). Testimony refutes this view, and allows the victims, survivors, and *homo sacer* to be re-established at the centre of their own narrative, instead of remaining on the margins as per accounting discourse.

## 7.5 I.G Farben

I.G. Farben was instrumental in predatory Aryanisations designed to deprive Jews of financial *bios* as described in chapter six. In this chapter, I.G. Farben is shown as collaborating with the State in the use of forced and slave labour, made possible through the loss of Jewish *bios* and a disregard for the rights of foreign workers. In fact, I.G. Farben was "one of the Reich's largest employers of conscript and slave labour" (Hayes 1987, p. 332). I.G. Farben had already secured a strong relationship with the State, evident through its sizeable political donations and heavy involvement in the Four-Year Plan. This strong relationship continued into the war years, as reflected in correspondence between Carl Krauch<sup>104</sup>, the Reichsführer SS, the Chief of German Police and Albert Speer that revealed how concentration camp labour was not only supplied by

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<sup>104</sup> Chairman of the Supervisory Board of I.G. Farben.

the State, but repeatedly requested by the business (Ferencz 2009, p. 33). By 1941, the State had also promised “to supply, train, guard, and help feed up to 1,500 skilled inmates during 1941, to at least double their number during 1942, and to construct a bridge and rail spur linking the camp with the construction site, all in return for [I.G.] Farben’s paying the SS 3 to 4 RM for each worker’s nine-to-eleven-hour shift” (Hayes 1987, p. 353).

I.G. Farben was concerned about building a second Buna factory, despite the success of the first Buna GmbH (see section 6.8). It believed that the existing Buna installation was sufficient for the productive demands of the Reich, and that “World War II would do to Buna what World War I had done to dyes: create overseas competitors and reduce future markets” (Hayes 1987, p. 355). The combination of conditions was sure to “increase costs considerably” (Borkin 1978, p. 119), and past evidence suggested that this was the measure upon which I.G. Farben marked all others. Pressure from the Reich grew until I.G. Farben relented. Hitler was able to induce it to begin building a concentration camp at Auschwitz, known as ‘Monowitz’, to house the labour required for the second Buna factory because:

he monopolised the instruments of power in the State, subordinated the protections of law to the demands of ideology, built an arbitrary and confusing political edifice in which influence mattered far more than office, and extended his sway to most of Europe (Hayes 1987, P. 380).

Hitler remarked, “experts can always think differently than they did at first” (cited in Hayes 1987, pp. 379-380). The project faced many challenges (Borkin 1978, p. 119) and relations between I.G. Farben and the State began to fracture as the competing ideologies of the two became completely incompatible.

In mid-1942, the Governor of the Upper Danube region vented his frustrations at the business, asserting that:

I do not want the I.G. in my *Gau*. I have just been to see the Führer. He is terribly furious about the I.G. because it is a state within a state. He has firmly decided to smash that whole racket

completely after the war. He would love to do it right now, but that is not possible at the moment. But, after the war, they will not be spared anymore; there will be a thorough cleaning up (Hayes 1987, p. 371).

This statement clarifies that the relationship between I.G. Farben and the State was one of necessity, not choice. It was not the size of I.G. Farben that saved it, but its importance to the war effort. Despite meeting Nazi demands which ran counter to its own productive goals, I.G. Farben was to be 'smashed' and 'cleaned up' after the war. I.G. Farben truly was a 'state within a state', reflected not only in its complicit role in Aryanisation and slave labour, but also, in its fate after the end of the war. Like Germany, I.G. Farben was "partitioned [and] 'denazified'... then collectivised in the East and decentralised in the West" (Hayes 1987, p. 377). Some of the partitioned companies are still in operation today, including BASF and Bayer. In 2017 BASF and Bayer made operating income of 10 billion Euros combined (Chemical and Engineering News 2018), continuing I.G. Farben's legacy of being a major player amongst pharmaceutical companies worldwide.

Whilst I.G. Farben operated many installations and made use of different concentration camps and their human capital, this study focusses on the Auschwitz sub-camp of Monowitz. The construction of Monowitz has, Borkin claimed:

assured I.G. a unique place in business history. By adopting the theory and practice of Nazi morality, it was able to depart from the conventional economics of slavery in which slaves are traditionally treated as capital equipment to be maintained and serviced for optimum use and depreciated over a normal life span. Instead, I.G. reduced slave labour to a consumable raw material, a human ore from which the mineral of life was systematically extracted. When no usable energy remained, the living dross was shipped to the gassing chambers and cremation furnaces of the extermination centre at Birkenau, where the SS recycled it into the German war economy – gold teeth for the Reichsbank, hair for mattresses, and fat for soap. Even the moans of the doomed became a work incentive, exhorting the remaining inmates to greater effort (1978, p. 126).

The infamous camp at Monowitz was intrinsically and criminally linked to I.G. Farben, despite other businesses drawing on its concentration camp labour (Ferencz 2009). I.G. Farben was implicated during the Nuremberg Trials for War Criminals, where Judge James Morris declared that:

Auschwitz was financed and owned by Farben...The Auschwitz construction workers furnished by the concentration camp lived and laboured under the shadow of extermination...the defendants most closely connected with the Auschwitz project bear great responsibility with respect to the workers. They applied to the Reich Labour Office for labour...Responsibility for taking the initiative in the unlawful employment was theirs and, to some extent at least, they must share the responsibility for mistreatment of the workers with the SS and the construction contractors...The use of concentration camp labour and forced labour workers at Auschwitz with the initiative displayed by the officials of Farben in the procurement and utilisation of such labour, is a crime against humanity (cited in Ferencz 2009, p. 34).

The Court further determined that I.G. Farben executives must have known of the 'selections' for it was their human duty to know the condition of their employees. Borkin claimed that I.G. Farben management witnessed "work details carrying their dead back and forth so that all inmates could be accounted for at roll call when the work day began and when it ended. It was a strange way to run a business" (1978, p. 120). "Their alleged total lack of knowledge merely confirms their lack of interest in the lives of the Jewish prisoners for whom they had a duty of care, at least during the time the inmates were in their power" (Ferencz 2009, p. 37). I.G. Farben was responsible for the people it employed, regardless of whether that employment was forced or a form of slavery. It is estimated that 30,000 Jews died in Monowitz (Hayes 1987; Lindner 2008; Ferencz 2009). Official records and evidence are unavailable however, due to the destruction of documents and the "attempt to conceal the evidence of their crimes, [where] the crematoria were blown up" (Ferencz 2009, p. 30).

The following section expands the discussion of the camp at Monowitz and the operations that degraded and killed labourers under the management of I.G. Farben.

### 7.5.1 I.G. Farben at Monowitz/Auschwitz

The declaration of the *state of exception*, followed by the progressive removal of citizenship through denationalisation legislation, revealed that the place of birth does not guarantee citizenship of that nation. Citizenship is a right, vested in political *bios*, that can be revoked in times of crisis (or perceived crisis). Agamben explained that “the fiction implicit here is that *birth* immediately becomes *nation* such that there can be no interval of separation [*scarto*] between the two terms” (1995, p. 128). The operation of Monowitz camp demonstrated how once-German citizens (the denationalised Jews) were reconceived, through the loss of their political *bios*, into the lowest category of forced and slave labourers. The thanatopolitical goal of the State infiltrated the factory and camp to produce “the exemplary place of the sovereign decision” (Agamben 1995, p. 129).

I.G. Farben either misread the ambitions of the Nazi State or underestimated its racist zealotry. Initially, the promise of slave labour was fortuitous for I.G. Farben, after agreeing to pay “the SS 3 RM a day for each unskilled concentration camp inmate and 4 RM for skilled inmates. Later, the SS agreed to furnish children at 1.5 RM. These payments were for the SS; the inmates, of course, received nothing” (Hayes 1987, p. 117). Payments included transportation, food and clothing costs, as well as the understanding that concentration camp labour “could not be as productive as a free, normal, well-fed German worker; thus, it was estimated at the meeting that a seventy-five percent efficiency was all that could be expected” (Hayes 1987, p. 117). The implicit understanding in these types of negotiations is that their ‘efficiency’ as part of the extermination-through-labour program would be impaired. The head of the Buna program initially remarked that “our new friendship with the SS is proving very profitable” (cited in Hayes 1987, p. 118). This was short-lived. From 1942-1944 the Monowitz project continued on its course of financial, political and human loss, and by January 1945 the SS ordered the evacuation of the site (Hayes 1987, p. 367). All Buna production stopped, and 9,000 inmates began their

death march. "Having descended to the very depths of complicity with Nazism, I.G. Farben came away from Auschwitz still showing a net loss on its books for the development of Buna" (Hayes 1987 p. 368).

The camp at Monowitz and the Buna factory were enormous, using "as much electricity as did the entire city of Berlin" (Borkin 1978, p. 3). Auschwitz's collective camps soon gained notoriety among concentration camp inmates. The sovereign *ban* imposed on the Jews allowed for their harm, as they were already considered socially dead beings (Agamben 1995, p. 105). Madeline Deutsch testified that:

for many years, I was still reliving everything. The trip to Auschwitz, the...the beatings, the killings, the dead people that were taken off the train, the...the beatings and the...and the dogs that were, uh, released and ju... jump on the people and...and tear them apart. I lived with this. Years and years. I still live with it, but I don't have these horrible nightmares anymore except occasionally (Personal Histories with Madeline Deutsch, USHMM 2018).

Jewish concentration camp labour was initially cost effective for I.G. Farben, but its output soon offset any cost savings. Generally, I.G. Farben only used inmate labour as a last resort (Hayes 1987), except at Monowitz where "the exceptional case...proved the rule" (Hayes 1987, p. 347). For 3-6 RM per worker per day (paid directly to the SS), only inmates housed on factory grounds proved to be cost-effective. This was no doubt due to a costings-based decision to provide less provisions than needed to sustain human life. The demand for foreign labour soon eclipsed that of Jewish workers, and so forced foreign labourers were sent to Germany and its annexed territories. Barbara Stimler, a foreign worker from Poland, remembered:

when we got to Auschwitz, which I didn't know it was Auschwitz, I didn't know nothing about it; I did not know about concentration camps, I did not know what was going on at all...they started separating women from men. Cries. It was just terrible. The husbands were from wives, the mothers from sons, it was just a nightmare. I started to get diarrhoea; I was sick and diarrhoea, suddenly. We started going through the... through the gate; the SS men were on both sides. And the girls, young people that could see what state I was in, they had a bit of sugar and they started



putting sugar in my mouth to revive me. And when they were going through the gates, they were just holding me up. And we had to be.... we were.... they formed us like fifths, five, five, five; we had to stay in five, five girls. And it was dark; it was dark, and they are starting to march us. And can you imagine the screams, the.... the mother was going to the left, the daughter was going to the right, the babies going to the left, the mothers going to the right, or the mothers went together with the babies... Oy oy! I cannot explain to you the cries and the screams, and tearing their hair off. Can you imagine? (The Cries and the Screams, British Library 2018).

I.G. Farben had to comply with six-hundred pages of regulations set out by the State which governed 'special conditions' for workers deemed 'subhumans' – i.e. Eastern foreign labour from Poland and Russia (as well as the Jews, as a rung lower than those as socially dead) (Hayes 1987, p. 345). These regulations specifically detailed that foreign forced labourers were to be provided with "food, clothing and medical facilities inferior to those of German employees" (Hayes 1987, p. 345). This effectively placed the workers in "a zone of indistinction and continuous transition between man and beast" (Agamben 1995, p. 109), facilitated through their loss of political *bios* with the goal of *making them die*.

By the winter of 1943, "the wasting away of the inmates was conspicuous enough to provoke, probably at I.G.'s instigation, the first systematic 'selection' at Monowitz" (Hayes 1987, p. 359). At this time, Auschwitz began to overtly fulfil its role in the Final Solution, and:

thus began the rolling of a grisly human conveyor belt between the SS's rail sidings and Monowitz. Able-bodied Jews were brought from Auschwitz, billeted three to a bed in stifling and verminous barracks, provided minimal food and clothing supplements to the standard camp issue, subjected to lengthy predawn roll calls in all sorts of weather, and put to work on eleven-hour shifts hauling or carrying heavy loads at a trot. Within three to four months of their arrival, such treatment literally consumed the inmates, reducing them to walking skeletons. Those who did not drop dead were sooner or later reclaimed by the SS and gassed. Either way, they were replaced, and the cycle resumed. In this manner, some 35,000 people passed through Monowitz during 1943-4; the toll of confirmed deaths came to about 23,000 or an average of 32 per day (Hayes 1987, p. 359).

As indicated in the above quote, the life expectancy for Jews at Monowitz was only 3-4 months. The loss of political *bios* directly contributed to realising the sovereign *nomos* that “conditions every rule...and makes possible every localisation and every territorialisation” (Agamben 1995, p. 111). For Agamben, what was happening at Monowitz was the fulfillment of the originary aims of the sovereign, that is, the creation of *bare life* “at once excluded and included, removed and at the same time captured” (Agamben 1995, p. 110).

Rather than furnish the labourers with more food, better clothing and more comfortable living arrangements, I.G. Farben chose to follow the SS’s example and continued to facilitate thanatopolitical policy in its factory and camp. An I.G. Farben Auschwitz weekly report outlined that the work of forced and slave labourers “continue[d] to leave much room for improvement...Our experience so far has shown that only brute force has any effect on these people...As is known, the Commandant always argue[d] that as far as the treatment of inmates is concerned, it is impossible to get any work done without corporal punishment” (Borkin 1978, p. 119). Edith Birkin, a forced labourer, recalled the constant threat of violence:

Auschwitz was very frightening in a certain extent, because it was full of Germans...Discipline, very strict discipline. This feeling of death, all these people going in the gas chamber. It was a very weird place, very weird place (Atmosphere of Death, British Library 2018).

Rule infractions were treated with utmost severity, with the foreman at Monowitz sending written requests to the SS to impose ‘suitable’ (or sometimes ‘severe’) punishments on the inmates when they returned to the camp (Borkin 1978, p. 125). Typical offenses included being “‘lazy,’ ‘shirking,’ ‘slow to obey,’ working too slowly,’ ‘eating bones from a garbage pail,’ ‘begging bread from prisoners of war,’ ‘sitting during working hours,’ ‘stealing wood for a fire,’ and ‘warming hands’” (Borkin 1978, p. 125). Punishments ranged from starvation through deprivation of meals, lashings from a cane or whip, hanging, or ‘selection’ (Borkin 1978, p. 125). This implicated I.G. Farben as the instigator of further violence beyond the official mandates of

State policy, a policy of violence and destruction that followed workers from the factory to the camp.

Nearly every structure of the camp and factory was geared toward the destruction of the Jews. Physicians studying the effects of an I.G. Farben imposed diet observed that “the normally nourished prisoner at Buna could make up the deficiency by his own body for a period of three months...The prisoners were condemned to burn up their own body weight while working and, providing no infections occurred, finally died of exhaustion” (Borkin 1978, p. 125). Working the inmates at a murderous pace, known as the “SS trot” (Borkin 1978, p. 125), contributed to reducing the life expectancy of Jews “to only four to six weeks” (Hayes 1987, p. 360). Hayes argued that I.G. Farben ignored or excused itself from the fate of the labourers by consigning it instead “to the policies of the SS and the general shortage of supplies” (Hayes 1987, p. 360). However, I.G. Farben’s practice of further punishments and reduced rationing proves otherwise. Incomplete surviving documents show that 300,000 concentration camp labourers passed through I.G. Farben’s Monowitz, and at least 30,000 of them were worked to death (Borkin 1978, p. 127). This does not include those who were transported through the camp for ‘selection,’ forming part of the 4 million Jews exterminated at Auschwitz. Between extermination-through-labour and the ‘selections’ facilitated by I.G. Farben management, I.G. Farben became the conduit through which the thanatopolitical aims of the State passed. Monowitz was a total failure financially, as I.G. Farben invested almost 900 million RM and did not produce a single piece of Buna (Borkin 1978, p. 127). The human toll was disastrous. Monowitz cemented I.G. Farben as “an industrial Faust” (Borkin 1978, p. 2), unwilling to remove itself from the pact it had made with the Nazis. The events at Monowitz support Agamben’s statement that “*homo sacer* is unsacrificeable, yet he may nevertheless be killed by anyone” (1995, p. 113).

## 7.6 Ford Werke Aktiengesellschaft

The Ford Motor Company was founded by Henry Ford in 1903 in Detroit and by 1925 had expanded its operations to Germany (Warsh 2008, p. 23). After surviving the Great Depression, Ford Motor Company built the Ford Werke factory in Cologne in 1931. This still serves as headquarters of European Ford today (Billstein et al 2000, p. 1). Henry Ford held outspoken anti-Semitic views (Baldwin 2001; Wallace 2003) and had a positive relationship with the Nazis. This was demonstrated through his receipt of the highest honour bestowed on a foreigner from Germany - the 'Grand Cross of the German Eagle' medal (Wallace 2003, p. 147). This award came with a personal note from Hitler, claiming Ford was to be recommended for his "humanitarian ideals and his devotion to the cause of peace" (Wallace 2003, p. 147). Ford was hesitant to interfere once the war began, and by 1940 claimed that Ford in Germany had been 'nazified.' The Ford Motor Company became Ford-Werke Aktiengesellschaft (Billstein et al 2000, p. 139).

Ford Werke executives were enmeshed within the German economic planning apparatus. At the outbreak of war Ford Werke ceased producing passenger cars and secured military contracts instead (Billstein et al 2000, p. 142). Ford Werke became indispensable to the German war effort. The Blitzkrieg that nearly secured the European continent for Germany between September 1939 and December 1941 was possible because of the contributions of Ford Werke (Billstein et al 2000, p. 1). Simultaneously, Ford Werke was negotiating a partnership of sorts with I.G. Farben in the interests of "mutual protection" (Billstein et al 2000, p. 139). According to Ford Werke management records, I.G. Farben's ownership in Ford Werke went from six percent in 1941 to 42 percent by 1943. Billstein et al claimed that "Ford Werke had effectively turned into a joint venture with I.G. Farben" (2000, p. 139).

Officially, Ford Werke was still under the management and ownership of Ford Motor Company in the United States. Ford Werke manager Robert Schmidt and I.G. Farben director

Carl Krauch, in anticipation of America entering the war, decided to safeguard Ford Werke's interests. In June 1941 they wrote to Reichskommissar Krohn claiming Ford Werke was:

a purely German company... [taking] on the accordant obligations with such success that the American majority share quite apart from the...favourable political attitude of Henry Ford – has even sometimes functioned as an asset for the German economy (Billstein et al 2000, p. 112).

They stressed that Ford Werke products were made solely from German materials by a German workforce. They also pointed out that “the plant is in every regard an armaments operation” (Billstein et al 2000, p. 140) and therefore integral to the war effort while fulfilling armament policy. Schmidt and Krauch were determined to shed the American image of the company to appease the policy of Nazification and thus ensure it was *made to live* in the thanatopolitical State.

The efforts to preserve “dual loyalty” (Billstein et al 2000, p.1 58) also proved beneficial post-World War II. As Billstein et al explains, “during the twelve years of the ‘Thousand Year Reich,’ they took every effort to look and act like a loyal German company. As soon as the US troops arrived, they turned into the courageous protectors of American property” (2000, p. 158). This shielded Ford Company and Ford Werke from the fate of I.G. Farben, and instead of being dismantled immediately, was returned to its American parent intact. It wasn't until the 1990s, when other survivors of the Holocaust sought restitution for forced and slave labour that Ford Werke was questioned about its role during the war.

The outbreak of war precipitated constant and severe labour shortages in Germany. Billstein et al estimated that “if not for foreign labour, war production would have collapsed after 1941” (2000, p. 142). By 1944, 7.6 million foreigners were employed in positions of forced labour across Germany (Billstein et al 2000, p. 142). Ford Werke not only made use of foreign

labour (*Reichseinsatz*<sup>105</sup>), but also POW labour in contravention of the 1929 Geneva Convention. This was in addition to slave labour assigned from Buchenwald concentration camp (Billstein et al 2000, p. 12) where the program of extermination-through-labour was practiced. From the three sources of labour (foreign workers, POWs and concentration camp slave-workers), the workers were differentiated into categories as mandated by the State. These categories determined wages, conditions and work to be performed. All those designated as subhuman (i.e. all Ostarbeiters<sup>106</sup>, POWs and Jews) “were required to wear identifying patches, for example: ‘P’ for Poland, ‘OST’ for Soviet civilians [and] ‘J’ on a star of David for Jews” (Billstein et al 2000, p. 5).

Ford Werke denied responsibility for its labourers until the case of *Iwanowa vs. Ford*<sup>107</sup> in 1998. Until then, Ford Werke joined its partner I.G. Farben in asserting that the companies do not:

accept the claim that an unusual number of KZ<sup>108</sup> camp prisoners who were employed by industry therefore died. On the contrary, the people were happy when they got out into industrial companies, because they received reasonable care and a chance to survive, which was not granted to them in the KZ extermination camps, as is well known (Billstein et al 2000, p. 234).

Ford Werke still maintained that the practice of forced labour “saved people from death in the KZ camps” (Billstein et al 2000, p. 11). This argument may have held for its contingent of slave labourers, but for its forced foreign workers, it was untenable. Foreign labourers were not usually placed into death camps. They were rounded up and destined for *Reichsensatz* independent of the ‘Final Solution’ or extermination-through-labour programs envisioned for the Jewish population (Billstein et al 2000). The forced labourers, while generally held under far

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<sup>105</sup> German term for foreign labour.

<sup>106</sup> Eastern European workers.

<sup>107</sup> *Iwanowa vs. Ford* was the first court restitution case initiated by a former forced labourer at Ford.

<sup>108</sup> KZ was the abbreviation for concentration camps in Germany (*Konzentrationslager*).

better conditions than the Jewish concentration camp inmates, were still underpaid and exposed to the brutality of the Nazi regime. Under German occupation, foreign labour was essentially a program forced upon them when faced with war, starvation and survival. In addition, the German occupation forces coerced foreign workers through threats of violence, or death, for non-compliance (Billstein et al 2000).

Ford Werke profited from both the war and the use of forced labour from 1940-1944. So much so that when a high-level tax inspector, Hiller, was sent in September 1943 to audit the company:

he observed an impressive growth in assets at all of the companies. He found that Ford Werke AG assets had grown from 14.8 million RM in 1938 to 36.7 million RM in 1942, and that net liquid assets had in the same period risen from 10 million RM to 28 million RM. Hiller attributed this phenomenal growth above all to a rise in revenues through Wehrmacht contracts and the consequent operation of plant at full capacity. As a third reason, he cited the use of cheap labour, such as prisoners of war and 'Ostarbeiter' (Billstein et al 2000, p. 154).

Reichskommissar Krohn, who Schmidt (Ford Werke) and Krauch (I.G. Farben) had appealed to earlier, had now become an ally. He was able to mount a successful resistance against The Ministry of Economics who sought to confiscate excess profits. Instead, the Ministry demanded dividends due to shareholders were not to be paid, but kept by Ford Werke as "'loans from the shareholders' or 'new equity' on the balance sheet" (Billstein et al 2000, p. 155). This required manipulation of accounts to skew the financial records during the corporative economy. Revenues in 1943 were six times the levels of 1933, and net profits had nearly doubled since the outbreak of war (Billstein et al 2000, p. 116). Surprisingly, the end of the war did not affect Ford Werke. The collapse of production over 1944-45 "did not cause a corresponding collapse in the balance sheets" (Billstein et al 2000, p. 116). Schmidt declared that while the company was not sure where it stood post-war, "indications [were] that the financial position [was] still good although much material must be considered lost" (Billstein et al 2000, p. 116).

Ford Werke stands apart from Degussa and I.G. Farben in that its wartime endeavours were a success, both in terms of production and profitability. Ford Werke's high contingent of foreign labour, most of whom were 'skilled', no doubt contributed to its profits. Maintaining skilled workers was a constant struggle for all companies during the war, and by minimising their supply of Buchenwald labour, Ford Werke was able to maintain a consistent workforce, losing few to 'exchanges' or 'selections.' The following case study of Ford Werke (Cologne) examines how the loss of political *bios* through forced labour exposed the foreign and POW labour to ill-treatment, worsening conditions, and little pay. This was facilitated by, and at times made worse, through Ford Werke management decisions.

#### 7.6.1 Ford Werke Factory – Cologne

I am in agreement with the interview. After fifty years everything is smoothed out, and hunger, beatings and injuries are forgotten, but it will always remain in memory that I was not Kulagina Inna, but No. 987 with the 'OST' insignia on my chest – *Under the statement validating the authenticity of her interview*, Inna Kulagina, cited in Billstein et al 2000, p. 228

The quote from Inna Kulagina illustrates the devastating impact, even decades after the fact, that the dehumanisation process engendered through lost political *bios*. The bestowal of human rights (and the personal freedoms within such liberties) "always simultaneously prepared a tacit but increasing inscription of individuals' lives within the state order, thus offering a new and more dreadful foundation for the very power from which they wanted to liberate themselves" (Agamben 1995 p. 121). Life became the object seized by the State through the sovereign *ban*. Not only were the personal freedoms of the workers eradicated, their very selves were disconnected and substituted by identification numbers.



Foreign labourers comprised 40 percent of Ford Werke's labour supply by 1944 (Billstein et al 2000, p. 108). Anna Nesteruk, who grew up in the Chmelnyzky region of western Ukraine remembered:

in '42 Sergei, the policeman, and a German came with a member of the German military to our house. And he said to my mother: 'The daughter must go to the village soviet tomorrow morning. But if the daughter does not come, anyone who does not come to the village soviet will be shot, he will be no more.' That was how the order was: 'If she does not come, then we will *schliessen machen* [shoot], ... It was pointless to try to hide, because they could shoot whole villages...Like a herd of cattle we were driven forth, but where and why we scared little girls and boys did not know (Billstein et al 2000, p. 168).

The German occupation of western Ukraine ensured ready sources of involuntary labour by the threat of violence. Yvon Thibaut from Belgium was compelled to perform forced labour at Ford Werke at 18 years old. He recalled:

I was drafted to go to Germany as a forced labourer. They told me there that if I didn't go, my father or my brother would have to go in my place. Because I didn't want that, I went to Germany, to work there...On 28 October 1942 I was transported from the train station in Charleroi. There I had to sign papers that I was going voluntarily. Of course! (Billstein et al 2000, pp. 182-184).

Ford Werke divided their labour force into a strict hierarchy comprised of 'Westarbeiters' (Western European workers, the highest racial level after German workers), 'Ostarbeiter' (Eastern European workers, designated subhumans but of the highest level), prisoners of war (usually Russian and Italian workers, subhumans below Ostarbeiters), and KZ prisoners (subhumans on the lowest level) (Billstein et al 2000, p. 142). "They were subject to a legal structure of discrimination that specified rules for every detail of their lives, defined their food rations and lodgings, their wages, and the make-up of the security forces guarding them" (Billstein et al 2000, pp. 142-143). The financial racism that was legislated as part of Aryanism had transformed into social racism, with the latter making a determination over who was a

citizen and who was socially dead (*made to die*). Ironically, the labour shortage resulted in a re-population throughout Germany and its annexations of the subhuman (subrace) from which it had hoped to purge itself, in the form of Jewish and non-Aryan (foreign) labour.

Inhumane treatment of forced labourers was encouraged by the NSDAP in accordance with the designated racial hierarchies, in order to maintain the “clear line separating our fellow Germans from the foreign people” (Billstein et al 2000, p. 147), as well as separate the racial pedigree between foreigners. Kamila Felinska, a Polish national mistaken firstly for a Russian and then for a French woman, recollected the differences between the camps that housed Russians and those that housed the French as:

like heaven and earth, that was a completely different life, we even got to dance in the evenings, there was coffee... It was that way because the French were getting Red Cross packages. The food was better there. That was served in the camp. At midday we would go from the factory to the barracks, and the food was there. We had one-hour lunch break. That was also enough, because it was not far...We got fifty marks a month at Ford. [We bought] ice-cream, lemonade, sweets. The company would provide twelve sanitary napkins per month to each woman. In the Russian camp we got nothing (Billstein et al 2000, p. 193).

Forced labourers of other nationalities also reported that the French forced labourers experienced a relatively ‘privileged’ existence, nearing that of civilian workers (Billstein et al 2000). The Westarbeiters moved in a zone of indistinction while being housed in the designated space of the *state of exception*. The indistinct boundaries between civil society and the *state of exception*, even when localised within a designated space, demonstrated there was still scope to move between the two. The Eastern workers, from Poland, Russia, Ukraine and Belorussia by contrast, faced “draconian rigor under the Reich’s Ostarbeiter decrees of February 1942” (Herbet 1985, pp. 154-157), that ordered that they be ‘strictly’ isolated from the German population. In addition, “their wages, lower by official decree, often went unpaid, or were paid in ‘camp money’, and even then, only after a variety of special taxes and, usually, employer

surcharges for food and board” (Billstein et al 2000, p. 5). Ostarbeiters received lower food rations than Westarbeiters, as mandated by Nazi Decree. The Ostarbeiter women were even subject to the thanatopolitical agenda of the State, where intervention at the biological level occurred: abortions were legitimised because “their labour was considered too precious to lose” (Billstein et al 2000, p. 148).

The Soviet POWs received “the worst treatment and the lowest rations of any non-KZ group” (Billstein et al 2000, p. 6), and out of the 5.7 million Soviet POWs captured by the Reich, 3.3 million died in captivity. They were exposed to terrible conditions, typhus and an exhaustive working pace. The Nazis not only contravened the Geneva Convention by utilising POW labour in military production, but violated the requirement of “due respect for their persons and dignity” (Billstein et al 2000, p. 143). Here, the “displacement and gradual expansion beyond the limits of the decision on *bare life*, in the *state of exception*, in which sovereignty consisted” (Agamben 1995, p. 122) was made visible. The policies designed to exclude the Jews could be manipulated to apply to any group under the political and legal structure of the *state of exception*.

Food was limited and distributed according to a “nationwide table of rations for each foreign group” (Billstein et al 2000, p. 147), formulated as part of the thanatopolitical goal of *making die* the subraces through systemic starvation. Rations were so low that even the Cologne Armaments Commando reported that “food rations for the Ostarbeiter are completely insufficient. Especially with such a low intake of fat, it must be doubted whether the Ostarbeiter can keep up the demands placed on them in the long term. The forced labourers are unanimous in recalling constant hunger and weight loss” (Billstein et al 2000, p. 147). Ford Werke management responded by distributing leaflets at the factory “decrying the bread-begging of the Ostarbeiter” (Billstein et al 2000, p. 148).

Not only were the foreign workers exposed to varying levels of starvation, they were to pay for it out of deductions to their wages. Ford Werke was able to make “use of a large leeway to deduct for food and lodging. The payroll accountant at Ford testified, soon after the war, that after withdrawals for taxes, insurance, lodging and food[,] the ‘Russians’ received less than half the wages due them under the regulations” (Billstein et al 2000, p. 154). The profit motive of Ford Werke overrode the need to protect, or even conserve its workers. By expensing the costs associated with workers, Ford Werke could adjust their overall profit using accounting concepts. Once labourers were “no longer able to work [they] were exchanged for healthy ones from the main camp” (Billstein et al 2000, p. 156), a regular occurrence since the sick rate at Ford Werke was running at 17 percent (Billstein et al 2000, p. 153). In exchanging the sick labourers for the healthy ones, Ford Werke exposed those people to “a likely death of hunger and neglect...even if no one died or was killed at the [factory] itself, companies who made use of such squads were complicit in the National Socialist policy” (Billstein et al 2000, p. 156) predicated on an exterminationist agenda. In ‘exchange’ transactions, Ford Werke facilitated *make die* decisions about its workers, following through with the States’ thanatopolitical agenda.

It was evident that a loss of political *bios* not only removed personal liberties and political ‘life’, it also removed the distinction between human and animal. The process of dehumanising the workers is highlighted through testimony, as many survivors recall they were treated like ‘animals’ or ‘livestock’ (Billstein et al 2000). When not viewed as human, they were not treated as such, leading to acts of violence and exposure to death. A German worker from Ford Werke related that “you could do anything you liked to a Russian or a Pole...they were fair game” (Billstein et al 2000, p. 147). Marena Mannucci, an Italian POW, recounted the rigid discipline at the factory. He referred to punishment that was meted out in response to misunderstood orders (due to language):

they had a rubber stick especially for this. You would lie down with your stomach over a stool and be hit as many times as the commander specified. Anyone who was hit would feel this for

days. The strikes were delivered in a room next to the office of the camp sergeant. The hitting stopped when he was replaced by another commander (Billstein et al 2000, p. 198).

Of all the degrading and horrific experiences of the forced labourers at Ford Werke, the most common survivor memory relates to the de-individualization and dehumanisation accorded through identification by number. Stripping people of their individuality and sense of self, through legal instruments and Nazi actions designed to make the 'Other' invisible, brutalised the human experience. This was exemplified in the quote at the beginning of this section and is echoed by other foreign labourers:

we got numbers. We had a sign with a card, they hung that around our necks, where we were all naked, and that was your entry number as a prisoner in Buchenwald. I had number 481756. You had to be able to read that in German and remember it, because constantly, when you were in the camp, later, you might be called for any reason, they called us by number, never by name...Whenever I heard my number, I had to go to the tower! To ask for my orders, to know where I was supposed to go...At this big square we had to sometimes stand at attention for hours. In the evening it was deadly, because it could take three hours, four hours, five hours, sometimes seven hours... (Yvon Thibaut in Billstein et al 2000, pp. 209-210).

When we first arrived with the transport, during the roll call my number was called: 465, and I didn't understand. No family, nothing, I had only had the number. Prisoner numbers, ah I took many blows for that... I always heard screams through the walls: 'Help!' *Ratunku* in Polish. Russian women screamed: '*Spasaties, Boga ne boitieses,*' ('Help, have you no fear of God, how do you want to answer for this?') (Kazimierz Tarnawski, in Billstein et al 2000, pp. 186-187).

[What number did you have? – Interviewer] 456. They had all the numbers listed at the guardhouse. The policeman came, he would call a number, never the first or last name. As though he was calling your name. Maybe it was on a list somewhere, the name, where I come from and so on. But in the camp no names were used...I had begun to piss in my pants, I was completely neglecting myself (cries) (Stepan Saiko in Billstein et al 2000, p. 171).

It is clear from the testimony that the workers had felt, and still felt at the time of their interview, that one of the most enduring violations of the war was their dehumanisation and the assignation of numbers as identification. In other words, the removal of political *bios* that distinguished human life from other living organisms. Lost political *bios* (and financial *bios*) facilitated dehumanisation, which enabled inhumane treatment. Once their liberty, freedom and rights were stripped away, either by law (as with the KZ labourers) or by the threat of violence, the possibilities for inhumanity became endless. What became the next goal of the thanatopolitical State was politicisation of *zoē*, as the “*bare*, anonymous life that is as such taken into the sovereign *ban*...by whatsoever name he may be called therein” (Agamben 1995, p. 124).

## 7.7 Conclusions

The case studies presented in this chapter have exposed how the loss of political *bios*, stemming from either German occupation (foreign workers) or denationalisation legislation (slave labourers), in conjunction with preliminary losses of financial *bios*, led to lost personal freedoms and dehumanisation. Each case study was examined with reference to the (un)profitability of the factory and the cost of forced/slave labour. A further layer to this analysis was added with attention to the conditions of the associated camps and the inclusion of testimony. This provided richer insight to the plight of those who had lost their financial and political *bios* and gave voice to the marginalised ‘Other’. The invisibilities of the human experience and nonvalue accorded to forced and slave labourers, beyond their labour and housing costs, were exposed. The gaps of human experience, absent in the accounting story, were highlighted.

The varying conditions faced by the members of the different racial groups illustrated the thanatopolitical imperative enacted through thanatopower. It was clear that some workers were caught within the sovereign *ban* but still were able to move between the civil sphere and

the *state of exception*. The Westarbeiters were distinct from the German workers but received relatively decent working and living conditions. The State was clearly amenable to *making live* Westarbeiters in a similar vein to the Aryan workers. The Ostarbeiters, on the other hand, were designated as subhumans and given minimal rations and provisions. Eventually their productivity decreased and their bodies wasted away. The POWs, subhumans on an even lower racial level than the Ostarbeiters, were not given enough food to survive. The State demonstrated through its mandated food rationing and wages, that the Ostarbeiters and POWs were *included* in an extension of the *state of exception* (as it did from Communists to Jews). This was clearly supported by businesses such as Degussa, I.G. Farben and Ford Werke. The Jewish concentration camp labour was treated as less than slave labour. These people were given tasks according to an extermination-through-labour mandate. They received food so minimal that their life expectancy reduced from months to mere weeks. Those able to work were driven to exhaustion, starvation or illness so severe that they died. Those who did not die at the factory camps were 'selected' or 'exchanged' by the management of their company for the gas chamber. This is where we see clear evidence of the thanatopolitical imperative to *make die* the Jews.

The case studies highlighted the companies' overriding concern for profits and financial viability. The lives of workers were secondary or negligible. The loss of political *bios* by legal means made all non-Germans "socially dead beings with a temporary lease on socially dead life" (Goldhagen 1996, p. 323). Work became their stay of execution until the elements, extermination-through-labour, or 'selection' rendered them dead. In any sense, the camps created the limit figure of the *homo sacer*, where "life ceased to be politically relevant" (Agamben 1995, p. 139) and dehumanisation created a black hole of degradation and devastation of humankind.

Degussa, I.G. Farben and Ford Werke have been implicated in the thanatopolitical agenda of the Nazi State. Each company adhered to the dehumanising and detrimental practices mandated by the State, which led to inhumane treatment and death for individuals. The creation of the *homo sacer* figure was included as part of the sovereign *nomos* while the *state of exception* expanded ever further into the civil sphere, with little indiscernibility between the two.

This chapter has demonstrated how business actions under thanatopolitical policy resulted in the degradation and death of citizens. It has brought the human elements back to the centre of the story through the use of testimony and by drawing on the human experiences of the camp. Individuals have been reinstated as “major characters in their own accounts, [instead] of minor characters in the accounts of others” (Arrington & Francis 1993, p. 122). Teasing out the silences in accounting discourse through testimony has presented new understandings and visibilities, while reinforcing the complicity of business as an instrument of racist and persecutory thanatopolitical policy.

Chapter eight examines the fate of the Jew as *homo sacer* (designated *bare life*). Exploration using the third theoretical triptych reveals how the preliminary losses of financial and political *bios* led to designation as *zoē* (*bare life*) and the final loss of life – actual life. Chapter eight continues to follow the actions of Degussa and I.G. Farben through to the final state of *make die* the Jewish life.



## Chapter Eight: Actual death – loss of *zoē*

...man is the indestructible that can be infinitely destroyed

- Maurice Blanchot 1969, p. 30.

### 8.1 Introduction

This chapter explores the Holocaust in terms of the third and final panel of the theoretical triptych: that is, loss of *zoē*, or loss of actual life. This final stage was facilitated by the earlier stages of loss (financial and then political life). This chapter highlights the thanatopolitical tactics that sought to *make die* the Jewish people while *making live* the Aryan people. This study continues to follow the involvement of the companies Degussa and I.G. Farben in attempts to exterminate the Jewish race. Examining the role of Degussa and I.G. Farben at every stage of human loss reveals the companies as complicit in the Nazi State's thanatopolitical imperatives. The gas chambers optimised the ultimate goal of Nazi thanatopower – to *make die* the subrace. In eliminating the biological danger of the Jews, the Aryan race could be *made to live* without Jewish inferior blood contaminating it. By gassing inmates with Zyklon B, the *zoē* of the Jews was removed (facilitating actual death) which entrenched the biological break between Aryan and Jewish races absolutely, securing the ultimate goal of Hitler (see Figure 16, see also section 4.3.2.3).

This chapter proceeds as follows. The Nazi concept of the 'Final Solution' is discussed in section 8.2, along with an outline of the development of the death camps. Section 8.3 explores the death camps from an Agamben perspective, highlighting the space occupied by *homo sacer* in the *state of exception*. Section 8.4 continues to address the involvement of Degussa and I.G. Farben in all three layers of loss experienced by the Jews. A discussion is provided of how these two companies, through their joint subsidiary Degesch, manufactured and then supplied the gas

used to exterminate approximately one million Jews. Section 8.5 provides conclusions for this chapter, underling the indispensable role of German companies to the 'Final Solution.'

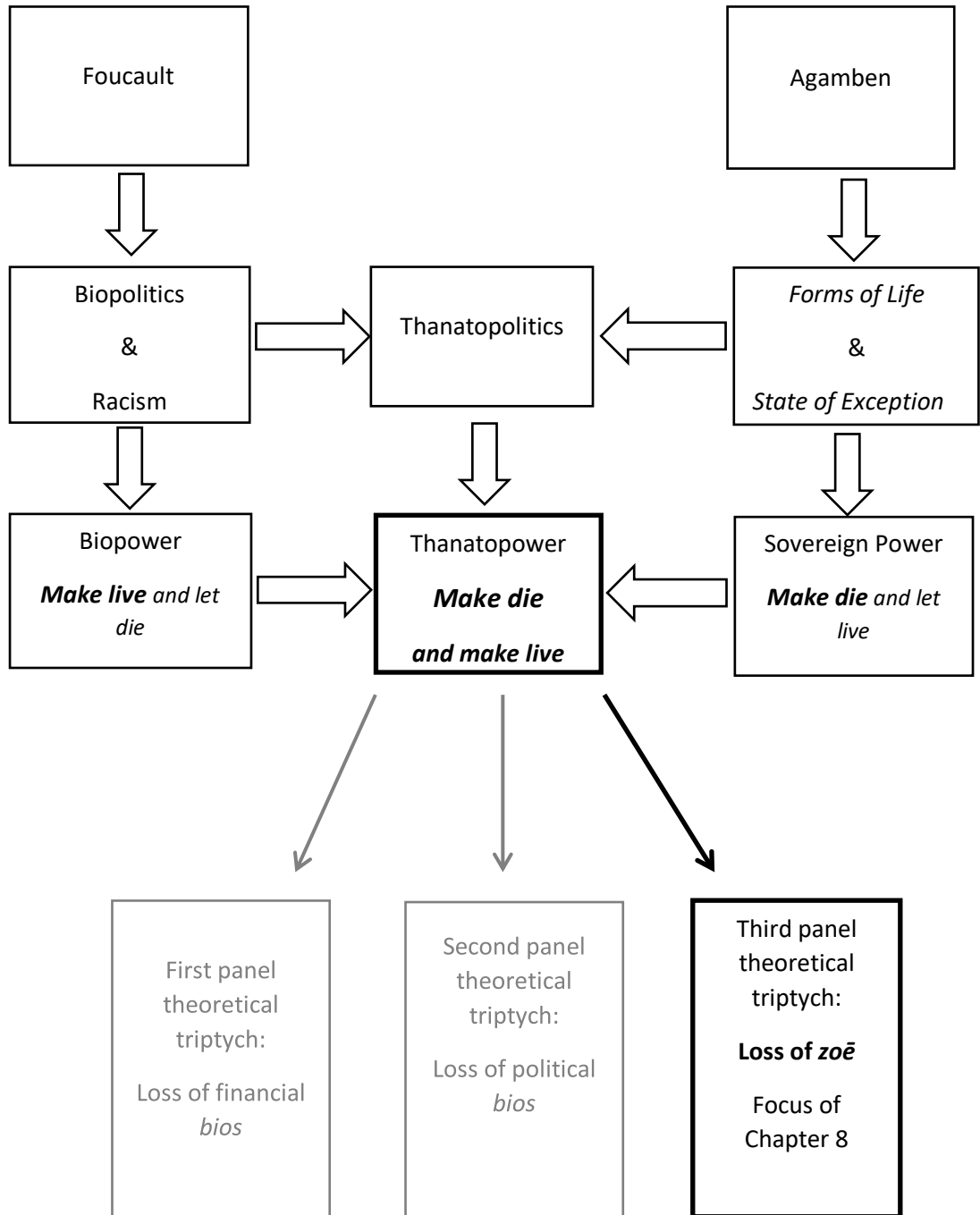


Figure 16 - Theoretical structure highlighting the third panel of the theoretical triptych

## 8.2 The 'Final Solution'

The problem of how to achieve *Judenfrei* was unofficially answered shortly after the outbreak of World War II (Goldhagen 1996). There was no great policy declaration of Jewish extermination, rather it became radicalised as the thanatopolitical policies of the Nazi State were incrementally enacted. The Jews progressively suffered through Aryanisation, denationalisation, slave labour, and finally death. Goldhagen argued that "the armed forces, the *Einsatzgruppen*<sup>109</sup>, and the other security forces all understood that this war was not to be a war like other wars; it was not to be a war of mere military conquest, but one in which...the Jewish people were to be vanquished utterly, destroyed, obliterated from the face of the earth" (1996, p. 148). The term 'Final Solution' was officially sanctioned in 1942 at the Wannsee Conference (Hochstadt 2004).

*Einsatzgruppen* were not commissioned solely for *Judenfrei*, but rather they were first used as special task forces to eliminate political opponents in Germany (Newton 1990, p. 366) as part of the original enactment of the *state of exception*. They were later used to eliminate the Jews found in the occupied areas of the Soviet Union and the Baltic States by rounding them up and shooting them execution style (Newton 1990). Otto Ohlendorf, the commander of *Einsatzgruppen D*, expressed reservations that his men would "not have the stomachs to carry out such gruesome orders, and that the deed would also brutalise them, rendering them unfit for human society" (Goldhagen 1996, p. 149). The idea of a slow escalation of the killings was introduced. By starting with shooting teenage and adult Jewish males, "they would be able to acclimate themselves to mass executions without the shock of killing women, young children, and the infirm" (Goldhagen 1996, p. 149). In addition, the initial massacres would be small, numbering only a few hundred, with the hope that "the perpetrators would be less likely to

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<sup>109</sup> *Einsatzgruppen* were essentially 'death squads' sent out from 1939 to perform mass shootings to eliminate Jewish (and other subrace) people.

become overwhelmed by the enormity of the gargantuan bloodbaths that were to follow” (Goldhagen 1996, p. 150).

By October 1941, *Einsatzkommando's*<sup>110</sup> were sending in reports of killings numbering thousands, including 33,771 killed over two days in Kiev (Hochstadt 2004, p. 110). By December, reports were numbering in the 100,000s (Goldhagen 1996, pp. 271-273). Victims were accounted for according to gender and age, with around a third of the victims listed as children (Jaegar Report, 2006). Newton estimated that by mid-1942, just months after the Wannsee Conference, the *Einsatzgruppen* had murdered 1,400,000 Russians and Jews (1990, p. 366).

The concerns of Ohlendorf soon proved correct, as the death squad method “was too personal and inefficient for dealing with millions of European Jews” (Hochstadt 2004, p. 117). A German Army report from as early as October 1941 stated:

the shooting of the Jews is simpler than that of the Gypsies. One must admit that the Jews go to their death very calmly - they stand very quietly - while the Gypsies wail, cry and continually move, when they already stand at the shooting site. Some even jumped into the pit before the volley and tried to pretend they were dead. At the beginning my soldiers were not affected. On the second day, however, it was already noticeable that one or the other did not have the nerves to carry out a shooting over a longer time. My personal impression is that during the shooting one has no moral scruples. These appear, however, after several days if one reflects about it quietly in the evening (Hochstadt 2004, p. 122).

Reichsführer Himmler soon concluded that the men in the *Einsatzgruppen* were struggling with their task. He assessed that “the seemingly ceaseless slaughtering of unarmed men, women and children was taking a psychological toll on some of them” (Goldhagen 1995, p. 156). In addition, the sudden elimination of Jewish labour “created havoc in the economy” (Hochstadt 2004, p.

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<sup>110</sup> Smaller divisions of the *Einsatzgruppen*.

128). A new, more efficient solution was required, and the Wannsee Conference delivered a compromise.

With plans, killing squads and installations already in place or in development, SS-Obergruppenführer and Chief of Police Heydrich assembled various representatives of the German bureaucratic administration at Wannsee on January 20, 1942. There, the document entitled *The Final Solution to the Jewish Problem* was agreed upon, with the delegates consenting to State sanctioned slaughter of a proposed 11 million victims (Goldhagen 1996, pp. 157-158). To combat the worsening labour shortage, Heydrich proposed that:

under proper guidance, in the course of the final solution the Jews will be appropriately allocated for labour in the East. In large labour columns, with separation of the sexes, able-bodied Jews will be taken to these districts for work on roads, in the course of which undoubtedly a large part will be eliminated by natural causes (Hochstadt 2004, pp. 133-135).

So began the 'extermination-through-labour program' that was detailed in chapter seven. Those deemed not fit to work were sent immediately to the newly established death camps with gas chambers "disguised as shower blocks" (Newton 1990, p. 367). The mental health of the *Einsatzgruppen* was protected, while the extermination of the Jews could proceed at a faster, cheaper and more efficient rate. The camp became a factory that produced death. In perpetrating the 'actual death' (loss of *zoē*), Goldhagen implicates all those who had knowledge of the fate of the Jews, including the "proverbial 'desk murderer'<sup>111</sup> (*Schreibtischtäter*), who himself may not have seen the victims yet whose paperwork lubricated the wheels of deportation and destruction" (1996, p. 164). These *Schreibtischtäter* functioned within "a vast bureaucratic organisation, who kill(ed) from behind a desk without wielding any weapons more lethal than a typewriter that issues reports dealing out death" (Funnell 1998, p. 447). Also implicated were the companies "who used Jewish slave labour, knowing (as virtually all of them

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<sup>111</sup> Otherwise referred to as 'desk-killers' (Arendt 1977; Rosenberg 1983; Funnell 1998).

after 1941 must have) that their work was but a temporary respite before death, particularly those who treated the Jews with great brutality” (Goldhagen 1996, p. 165). Those who had been deprived of their financial *bios* and political *bios* became pure *zoē*. Ferencz explained that “those who remained were to be deprived not only of their civil rights and their property but also of their hope. Finally, some six million Jews of Europe would lose their lives in ways which few if any could even imagine” (2009, p. 3). The Wannsee Conference set in place the apparatus that exterminated en masse, allowing for action at a distance. No longer would the shooter have to line up their victims. Hundreds could now be killed in one motion through the use of poisonous gas, manufactured by complicit chemical companies (Hayes 2004).

The idea of mass gassings can be traced back to as early as October 1941, as the SS sought to deal with the genocide “in a manner similar to production in a factory, [where] the Holocaust was killing based on the detailed organisation and principle of the assembly line” (Funnell 1998, p. 453). Brack of the Chancellery of the Führer “declared himself ready to cooperate in the production of the necessary shelters as well as the gassing devices. [However], at present, the devices in question are not available in sufficient number, they must first be manufactured” (Hochstadt 2004, p. 116). As such the construction of Auschwitz with the attached killing centres began in 1941. 25,000 Jews died constructing an installation designed for mass murder of their own people (Borkin 1978, pp. 2-3). In September 1941, the SS experimented with hydrocyanic acid (Zyklon B) in a small, pre-existing gas chamber in Auschwitz. 850 people were killed, “600 of whom were Soviet prisoners of war” (Goldhagen 1996, p. 157). Auschwitz began mass gassings in March 1942 (Goldhagen 1996).

It is important to note that there were many deaths carried out by the Nazi State beyond the estimated six million Jews. In addition, the handicapped, POWs, forced labourers, inmates, homosexuals, gypsies, political opponents and members of other religious groups were killed (Newton 1990). Rummel puts the total figure of deaths from direct and indirect actions of the State to be around 21 million (1994, p. 111). Rummel also posits that Nazi Germany was the

third largest perpetrator of democide<sup>112</sup> behind Communist China and the Soviet Union (Rummel 1994, pp. 120-121). The odds of dying in Nazi Germany were 1 in 93 (Rummel 1994, p. 120).

The use of death camps and gas chambers to exterminate the Jews has been the subject of much scholarly attention (see for example Hilberg 1983; Nomborg-Przytyk et al 1985; Nahon et al 1989; Muller 1999; Levi 2003; Allen 2005; Kogon 2006). While this thesis acknowledges the 'Final Solution' as the final loss of life of the Jews, it is not the main focus of this study. To complete the narrative in terms of the third panel of the theoretical triptych, this chapter draws attention to the actions of the businesses who produced the gas for the death camps. This highlights the corporate complicity in, and use of accounting techniques in, thanatopolitical policies of the State.

### 8.3 Death camps, *zoē* and the *state of exception*

Those who were killed at the death centres of the Nazi apparatus were killed as *bare life*, not exterminated "in a mad and giant holocaust but exactly as Hitler had announced, 'as lice,' which is to say, as *bare life*" (Agamben 1995, p. 114). This was possible due to the prior removal of their financial and political *bios*, which had served to distinguish them as humans in both the political and legal sense. Agamben explains that "in the system of the nation-state, the so-called sacred and inalienable rights of man show themselves to lack every protection and reality at the moment in which they can no longer take the form of rights belonging to citizens of a [S]tate" (1995, p. 126). After the removal of *bios*, the Jews were rendered pure *zoē*. Agamben argued that:

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<sup>112</sup> Democide, a term coined by Rummel (1994), refers to the murder of people by their own government.

once *zoē* is politicised by declarations of rights, the distinctions and thresholds that make it possible to isolate a sacred life must be newly defined. And when natural life is wholly included in the *polis* – and this much has, by now already happened – these thresholds pass, as we will see, beyond the dark boundaries separating life from death in order to identify a new living dead man, a new sacred man (1995, p. 131).

In other words, the sacrosanct parts of humanity (encapsulated by *zoē*) become politicised and exposed to State control. Once the rights historically conferred were revoked through legislation in the declaration of the *state of exception*, *zoē* entered the political and legal sphere in ways that were not possible before. *Zoē* in the *state of exception* was fundamentally a financially and socially dead being in the eyes of the State and wider society. *Zoē* represents the *bare life* of the *homo sacer*, whose execution does not count as homicide.

As was the case with Aryanisation and slave/forced labour practices, business decisions became life and death decisions. Accountants, for example, “used a cost-benefit analysis to compare the cost of killing children with gas and then burning their bodies, to the alternative of burning the children to death” (Lippman & Wilson 2007, pp. 288-289). 10 cents per child could be saved by the State in not gassing the children first (Fleischner 1977). The remainder of this chapter exposes the decisions made by managers and executives with complete awareness of the deadly consequences of those decisions. It was easier to *make die* those who were already financially and politically dead, or in a state of suspended death. Degussa and I.G. Farben are directly implicated as conduits for the thanatopolitical imperative of the State in producing the necessary goods essential for mass murder. This chapter exemplifies Agamben’s notion that “when life and politics – originally divided and linked together by means of the no-man’s-land of the *state of exception* that is inhabited by *bare life* and the *homo sacer* – begin to become one, all life becomes sacred and all politics becomes the *exception*” (1995, p. 148).



## 8.4 Degussa, I.G. Farben and Zyklon B

Towards the end of the eighteenth century, liquid hydrocyanic acid (prussic acid or *Blausäure*) was identified as a lethal poison, with only “seventy milligrams causing a 150-pound human to lose consciousness, convulse, and die within as little as two minutes” (Hayes 2004, p. 273). Its early uses were commercial, as a fumigant for orchards, mills, ships and railroad cars. Its use was diversified during World War I to combat lice during trench warfare. Degussa was the sales agent for all participants in the international cyanide cartel and also sales agent of the company’s sodium cyanide-producing American affiliate, Roessler & Hasslacher. In this capacity, Degussa soon took an interest in ownership of the gas (Hayes 2004, p. 273). In 1922, Degussa acquired the public corporation that produced the gas, the Deutsche Gesellschaft für Schädlingsbekämpfung (Degesch) (Hayes 2004, p. 274). At this stage, the gas form of hydrocyanic acid had been termed ‘Zyklon.’ Post-World War I, the Allies banned the substance due to its instability during transportation and because of its weaponised use as a poisonous gas in the war (Hayes 2004, p. 274).

When Degussa took over Degesch, its scientists discovered a method to safely transport Zyklon by “soaking absorbent materials, initially pellets of fossilised algae, in the acid and sealing them in tightly packed cans” (Hayes 2004, p. 274). After modifying the recipe through stabilising additives, Degesch rebranded the gas ‘Zyklon B’, and thus circumvented the Allies’ ban.

In 1930, the corporate structure of Degesch was altered, so that Degussa became an equal partner with I.G. Farben, each holding 42.5 percent ownership. The remaining 15 percent was held by Th. Goldschmidt concern (Lindner 2008, p. xiv). Two further companies (Heerdt-Lingler GmbH (Heli) and Tesch & Stabenow GmbH (Testa)) held the sales and application rights

for the sale of Zyklon B in Germany (see Figure 17). Testa was run by Bruno Tesch, who was

## Corporate Relations in the Manufacture and Sale of Zyklon B

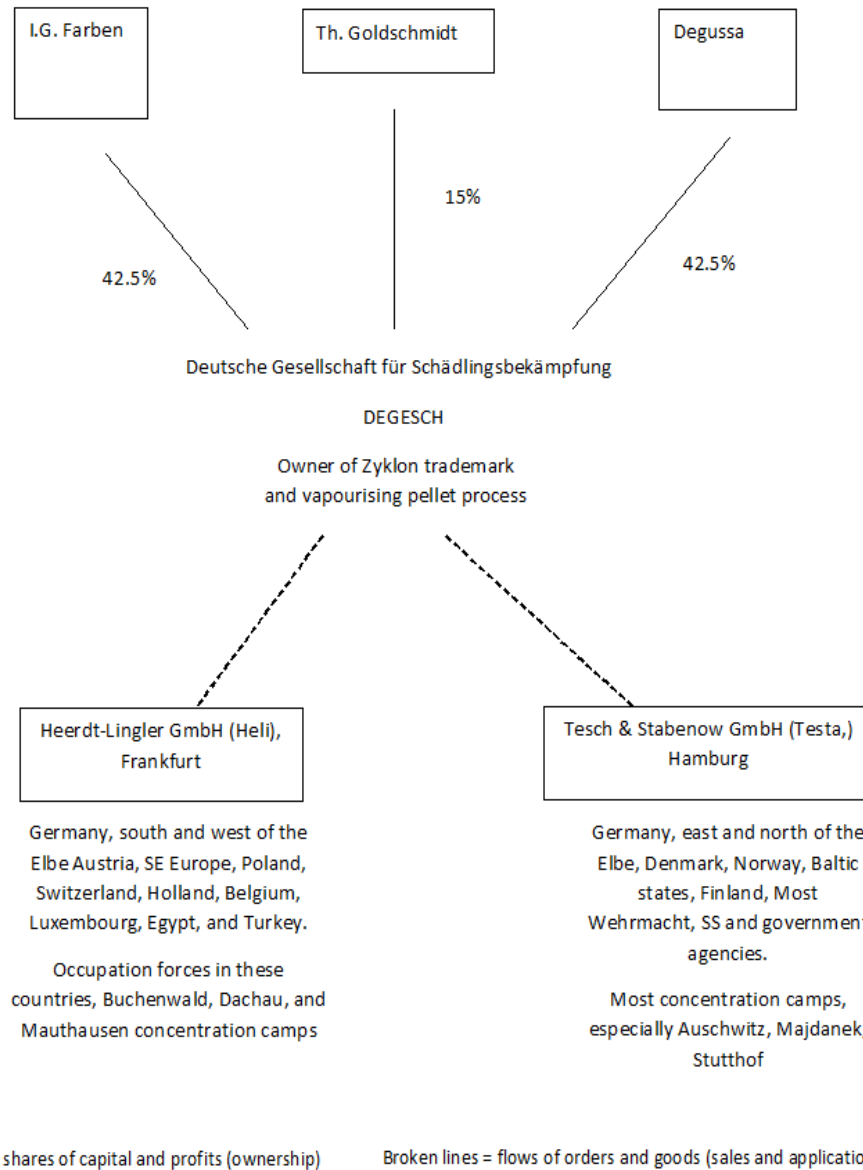


Figure 17 - Corporate relations in the manufacture and sale of Zyklon B, reproduced from Hayes (2004, p. 357)

responsible for the sale of Zyklon B to the SS, government agencies and concentration camps including Auschwitz, Majdanek and Stutthof (Hayes 2004, p. 357). From this point, it appeared

that Degussa's initial control over Degesch was significantly transformed. Degesch's corporate pronouncements identified itself as "an exclusive selling agent for I.G." and five of the eleven board members were from I.G. Farben (Borkin 1978, p.1 22). Borkin stated that the fact that "I.G. dominated Degesch was general knowledge in the chemical industry" (1978, p. 122), however Hayes instead argued that "Degesch was an integral part of the Degussa concern and not of I.G. Farben's" (2004, p. 280). While there is a lack of agreement over who effectively controlled Degesch, it is certain that each company held an equal share of ownership, and therefore equal responsibility, for the concern. By 1941 Zyklon B was being used in test experiments on human subjects as a means of expediting the extermination process, in order to alleviate the psychological toll on members of the *Einsatzgruppen* and to make mass murder of the Jews more cost and time efficient.

The supply of Zyklon B to the Nazi death camps directly implicated Degesch, and its owners Degussa and I.G. Farben, in the loss of *zoē*. Degussa's role, however, remained largely hidden in the shadow of the crimes of I.G. Farben, as revealed in the Nuremberg trials and various testimonies. Testimony from an unidentified former inmate asserted that:

the directors of I.G. Farben knew about the selections...The employees of I.G. Farben indirectly occasioned the selections... Consequently, the Labor Allocation Officer in Auschwitz went to Monowitz early in the morning, when the squads left for work, posted himself near the gate and picked out those people...whom they considered sickly; these people were sent to the gas chambers straight away (cited in Borkin 1978, p. 143).

A British POW testified that:

the population at Auschwitz was fully aware that people were being gassed and burned. On one occasion they complained about the stench of burning bodies. Of course, all of the Farben people knew what was going on. Nobody could live in Auschwitz and work in the plant, or even come down to the plant without knowing what was common knowledge to everybody (cited in Borkin 1978, p. 144).

Further damning evidence came from an internationally recognised physician and Professor at the University of Strasbourg, Robert Waitz, who testified:

I found out very soon that Monowitz was an extermination camp. On account of the severe living conditions, the prisoners were exposed to that slow process of physical and mental dissolution which terminated in most cases in the gas chambers. The final aim was unmistakable: the dehumanisation and eventual extermination of the prisoners employed in the I.G. plant at Auschwitz. I heard an SS officer in Monowitz saying to the prisoners, 'You are all condemned to die, but the execution of your sentence will take a little while' (cited in Borkin 1978, p. 143).

In short, it was evident that I.G Farben, and by implication Degussa, knew of the use of its gas in the extermination of people. In 1943, the general manager of Degesch, Gerhard Peters, had learned firsthand that Zyklon B was being used to "liquidate large numbers of people...criminals, mental cases, and so on" (Hayes 1987, p. 363). Even after requests were made by the State on "humanitarian' grounds that the Zyklon be delivered without its usual and noxious warning odour" (Hayes 1987, p. 363), Peters still did not publicly acknowledge the intended use of Zyklon B. Degesch resisted the request, not on 'humanitarian' grounds, but rather because it "endangered Degesch's monopoly position. The patent on Zyklon B had long since expired, but Degesch retained its monopoly by a patent on the warning odour. To remove the indicator was bad business, opening up the possibility of unwelcome competition" (Borkin 1978, p. 123). Degesch eventually agreed to the State's request, despite concerns over the impact on profits and the implications of supplying Zyklon B without a warning odour. This decision contributed to the charges levelled at I.G. Farben during the Nuremberg trials.

The court at Nuremberg handed down the verdict of guilty to the charge of slavery and mass murder, concluding that "all of the defendants, acting through the instrumentality of I.G...participated in...the enslavement of concentration camp inmates...the use of prisoners of war in war operations...and the mistreatment, terrorisation, torture, and murder of enslaved persons" (cited in Borkin 1978, p. 138). Despite escaping notice during the war crimes tribunals,

I suggest that Degussa be appointed an equal share in the guilt. Degussa was allowed to continue operating Degesch after 1945, still in equal partnership to the dissolved I.G. Farben (through its successor firm Bayer AG), producing Zyklon B under the same name until 1974. Degussa and Bayer sold Degesch in 1986 to Detia-Freyberg GmbH, where Zyklon B is still produced today under the new name of Cyanosil (Hayes 2004, pp. 299-300). The next section provides a more focussed narrative around the role of Degesch in the final death of the Jews.

#### 8.4.1 Degesch

The case study of Degesch continues to follow the involvement of Degussa and I.G. Farben across every loss of Jewish life. Selling agents for Degesch also became enmeshed within Nazi State thanatopolitical policies, as Tesch (manager of Testa) became aware of the use of Zyklon B in 1942, reporting that “our Zyklon B would be used for killing people” (cited in Hayes 2004, p. 285). Suspicions arose at Testa, with one secretary wondering “whether the large quantities of Zyklon B being ordered really could be needed for fumigation. The chief bookkeeper replied, ‘if you repeat such remarks I must report you to the authorities’” (cited in Hayes 2004, p. 285). Kurt Gerstein, an SS Senior Leader (*Obersturmführer*) helped Tesch cover up the genocide, claiming that Zyklon B was used to manage a typhus epidemic (Hayes 2004, p. 291). As the extermination of Jews continued, the supplies of Zyklon B could not meet demand. “In response, the Nazis elected to decrease the amount of gas used for each killing, which prolonged the time to death increasing the suffering of the prisoners as they died” (Fleischner 1977 in Lippman & Wilson 2007, p. 289).

By 1943 Zyklon B was providing 70 percent of Degesch’s gross profits, or an annual average of 1,468,200 RM from 1940-1944, which was “a gain of 70 percent over the level of 1937-39, or ten times as much as the growth in the firm’s average overall sales receipts” (Hayes 2004, pp. 281-282). These profits did not extend to the selling agents, because when “the

gassings began...[Tesch] was embroiled in a fight for his economic life with Degesch” (Hayes 2004, p. 286). The SS was only honouring minimal invoices from Degesch, and prior to the end of the war, there was little Degesch or Tesch could do to claim their receivables. Based on information pieced together from a variety of sources<sup>113</sup>, Hayes concluded that “six tons of Zyklon [B] (less than 1 percent of German domestic sales, 1942-44) would have produced sales income to Degesch and Testa of over 30,000 RM (US \$12,000 at the time; \$120,000 in 1999) and earnings for both of roughly half these amounts, before deductions for overhead and taxes” (2004, p. 296). To tie that figure to the dividends paid to the parent companies, Degesch only netted Degussa and I.G. Farben 1,487.50 RM each (US\$595 at the time or US\$5,950 in 1999) (Hayes 2004, p. 297). Zyklon B deliveries to concentration camps reached their peak in 1943, with 24,187 kilograms to Auschwitz alone and 31,894 kilograms to other camps (Hayes 2004, pp. 359-360). Not all of these sales contributed to the deaths of Jewish inmates (only one percent can be attributed to this<sup>114</sup>), but sales to Auschwitz indicated corporate complicity in the thanatopolitical imperative to *make die* the Jewish people. Hayes posited that “Nazi economic policies – including Aryanization, autarky, and armaments – had brought the firm great profits, but participation in the regime’s worst crimes (especially the plunder of Jews’ precious metals, the use of slave labour at plants the firm lost, and the sale of Zyklon B for murder) had not” (2004, p. 321). The participation in extermination implicated both Degussa and I.G. Farben in not only the loss of *zoē*, but across every facet of loss experienced by the Jews in the thanatopolitical Nazi State. Like their endeavours into Aryanisation and slave labour, Degussa and I.G. Farben ultimately made minimal profits from the sale of poison to fill the gas chambers of the Nazi death camps.

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<sup>113</sup> Trying to determine the monetary figures amounts involved was problematic due to destroyed documents and lack of payment from the SS (Hayes 2004).

<sup>114</sup> The use of Zyklon B was ubiquitous during the war. It was used primarily to fumigate military quarters, supplies, uniforms, vehicles, rolling stock, vessels, storehouses, and milling operations among others (Hayes 2004, p. 272). Even though ‘only one percent’ can be attributed to the deaths of Jewish inmates, it must be remembered that ‘only one percent’ of sales still translated to 1 million deaths.

Nazism had determined “the *bare life* of *homo sacer* in a biological and eugenic key, making it into the site of an incessant decision on value and nonvalue...in which the camp, consequently, becomes the absolute political space” (Agamben 1995, p. 153). The State, Degussa, I.G. Farben<sup>115</sup>, and Tesch had all acquiesced to the decision on the *nonvalue* when they continued to supply Zyklon B for the purposes of eliminating the Jews. For his role in the continued supply to the SS, Peters<sup>116</sup> became “a co-conspirator in the program of murder with Zyklon B” (Hayes 2004, p. 291). Both Tesch and Peters can be implicated in killing-by-fiat. By 1942, nearly every major actor affiliated with Degesch was privy to the fact that Zyklon B was used for exterminating the Jews. Barbara Stimler remembered the reality of these corporate decisions:

when it was getting lighter I could see there are like blocks, and a girl comes out from a block, she has no shoes, she has no hair, her dress is far above the knee. I thought, maybe this block maybe some children, girls got mad and they're keeping them together in a mad house, not thinking that in a couple of hours I would look exactly the same...We had to go all round, single, all round this room, going round and round and round, and they were still picking up girls and women, sorting out. All the time sorting, sorting, sorting. Who knew what they were doing? They were sorting to put in the gas chambers, but who knew it? I still was very ignorant, I still did not know what was waiting (The Cries and the Screams, British Library 2018).

When a fumigator at Mauthausen became distressed by witnessing the gassing of prisoners in 1942, Peters “reassured him on the grounds that Zyklon caused less suffering than the carbon monoxide used at other camps” (Hayes 2004, p. 293). It appears that for Tesch and Peters, and by extension Degussa and I.G. Farben, their job was “to supply the SS as far as output and the allocations of the Working Committee allowed, and what the Black Corps did with the substance was none of their business” (Hayes 2004, p. 294). It was as if, “like the fence of the camp, the

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<sup>115</sup> Hayes claimed that “I.G.’s Martin Mueller-Cunradi informed...I.G. directors [of] the murders...in 1943” (2004, p. 365).

<sup>116</sup> General Manager of Degesch.

interval between death sentence and execution delimit[ed] an extratemporal and extraterritorial threshold in which the human body [was] separated from its normal political status and abandoned, in a *state of exception*, to the most extreme misfortunes” (Agamben 1995, p. 159). The businesses which sought profit regardless of human costs chose wilful blindness to the use of its product once it was delivered to the *state of exception*.

At Monowitz, “the pervasive stench emanating from the crematoria of Auschwitz and Birkenau simply overwhelmed the official explanation that the camps’ continuous battle with typhus forced the burning of dead bodies<sup>117</sup>” (Hayes 1987, p. 364), reiterating earlier testimony that claimed, “nobody could live in Auschwitz and work in the plant, or even come down to the plant without knowing” (Borkin 1978, p. 144). Edith Birkin witnessed the gassings at Auschwitz, recalling:

of course we soon realised that there was this big chimney, you know, out of which came a lot of smoke, and the sky was red, the sky was red all the time. And you know, when we asked what it is they told us, and we couldn't believe it. Well the Germans didn't tell us, but other prisoners told us you know. 'What's this, what's this smoke, what's this fire, you know, why is the sky so red?' What is this all about, you know, we couldn't understand. But then we were told, very soon we were told you know, and we saw these transports of people coming; they came past us because there was this Lagerstrasse, you know, this road that was going to the gas chamber, from the train, and they came past. All these transports came past us, you know, thousands and thousands of people. And they never appeared again, they just disappeared into this building, you know. Somehow you know, you just got used to it; you were there. It's more terrifying thinking back on it now, in a way, than then...But things were so bad, and you lost everybody, that it was just another blow, you know, you just got sort of immune to these things (Atmosphere of Death, British Library 2018).

Degussa and I.G. Farben’s abandonment of their slave labourers to the fate of the *homo sacer* cannot be refuted. Like the State, Degesch held “life in its *ban* by abandoning it” (Agamben 1995,

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<sup>117</sup> As the true purpose of the ‘Final Solution’ was still hidden and referred to euphemistically, the ‘cover story’ for the crematoriums and constant burning was attributable to a typhus epidemic.



p. 29). It seems incredible that during the Nuremberg Trials I.G. Farben could claim ignorance of their products being used at their own concentration camp for the purpose of extermination. The executives conducted numerous tours of the camp and they could not have failed to see the chimney and smell the stench of Auschwitz. Ruth Meyerowitz recalled:

the crematorium was just a uh few minutes away. We could see the chimneys from uh...uh wherever we were and of course we could smell the uh first the gas when it was left...let out from uh the gas chambers, and, and then we could smell the burning of the bodies, the human flesh burning. And then they cleared the grates and we could hear the grates uh being cleaned, and it's similar to what your own oven would be like when you move the grates around except in a much, it was much noisier that we could hear it all the way in the barracks. And, uh, to this day when I clean my own oven, I am reminded of that noise of the cleaning of the grates in the crematorium (Personal Histories with Ruth Meyerowitz, USHMM 2018).

In 1946, Tesch was sentenced to death by a British Military Court “for supplying the SS with Zyklon in full knowledge of its intentions” (Hayes 2004, p. 297). Peters, who faced a German court, was convicted as an accessory to manslaughter and spent just under three years in jail<sup>118</sup> (Hayes 2004, p. 297). Degussa’s charges were dropped due to lack of evidence, with the managing board testifying that Peters never told them of the true use of Zyklon B (Hayes 2004, p. 295). Peter’s defence lawyer Heinz Scherf<sup>119</sup> offered the 150,000 DM bail money during his appeals as an accessory to murder (Hayes 2004, p. 295). Hayes argued that “Degussa’s role in bringing about Peter’s ultimate release is perhaps the most suspect aspect of the corporation’s conduct in relation to Zyklon B. If Peters, indeed, acted independently, why did Degussa feel obliged to defend him?” (2004, p. 298). By the time Degussa and Peters had been through the appeals process, “the anti-big business phase of the American occupation had ended, and it had hung Zyklon B and Degesch safely around the neck of I.G. Farben, which was being dissolved”

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<sup>118</sup> His lighter sentence was due to a change in German law at the time.

<sup>119</sup> Scherf was also a member of the Degussa managing board at the time.

(Hayes 2004, p. 299). Hence Degussa was able to avoid blame for Zyklon B and Peters was ultimately released.

In teasing out the power deployments within thanatopolitical policy, the progressive acts that led to the Holocaust can be identified. When human beings become indistinct with other organic matter, they can be brutalised. The loss of financial and political *bios* led to the loss of *zoē*. The *nomos* was “obliterated and contradicted with impunity by a governmental violence” (Agamben 2005, pp. 86-87) that produced a permanent *state of exception* where it was still able to claim a perverse application of the law. Businesses became conduits for a State policy that effectively produced corpses, where Jewish “decease [was] debased into a matter of serial production” (Agamben 2002, p. 72). Degussa and I.G. Farben were part of the apparatus that facilitated the deaths of the 1 million who died from Zyklon B asphyxiation.

## 8.5 Conclusions

The Degesch case study presented in this chapter has revealed how German businesses were aiding the thanatopolitical goal of the Nazi State to *make die* the Jews by extermination. By looking beyond the numbers, testimony highlights the horrific experiences of people. For this case study, only limited witness testimony survives, as millions of voices were lost through the *make die* imperative. However, by including an excerpt of witness accounts, some insight is gained into the human experience of those deemed *homo sacer* and *bare life*, as well as the role played by businesses in the manufacture and supply of the gas used to kill the subrace.

The Degesch case study highlights that, similar to their role in Aryanisations and forced/slave labour policies, Degussa and I.G. Farben were focussed on appeasing State administration while seeking profit for themselves. The human implications of suffering and death were not part of their decision-making process. Humanitarian options were either not

feasible or not considered. The result was the death of one million Jews from Zyklon B, in clear knowledge of the businesses who had manufactured and supplied it. Most of these deaths occurred in Auschwitz, where I.G. Farben's own labour camp, Monowitz, was housed. In effect, I.G. Farben was responsible for the deaths of its own workers once they had been 'selected', often at the discretion of its management. The prediction that "seizure of property acts as an important catalyst in accelerating the downward spiral across the threshold to genocide" (Dean 2008, p. 15) came to fruition. This case demonstrated how the previous losses of financial and political *bios* rendered the Jews as *bare life* without any political, juridical or legal recourse to fight the fate that had been sealed with the *Reichstag Fire Decree* (1933).

This chapter has discussed how the 'Final Solution' to the Jewish question was solved by thanatopolitical means – namely the extermination (*make die*) of the Jew who had been reduced to *zoē*. The "rupture of the old *nomos*" (Agamben 1995, p. 175) instigated through the *state of exception* saw the *exception* become the rule, and as such, the violence, mistreatment and death of the Jews formed part of the new and accepted *nomos*. This idea was perpetuated by the businesses who helped to operationalise the thanatopolitical policy of the Nazi State. This chapter has brought in survivor testimony that at the time of the Holocaust was invisible to the businesses involved. The complete disregard of the human element by the companies ultimately resulted in the loss of one million Jewish lives. By re-establishing the humanness of these accounts, the role of the companies in the Holocaust is brought into sharp relief.

The following chapter presents the conclusions of the thesis, which has primarily been told as the loss of three lives: financial, political and physical. The final chapter points to the value of the theoretical structure delineated in this work. The contributions of the thesis, limitations of the study and possibilities for future research are also discussed.

## Chapter Nine: Conclusion

One has to pay dearly for immortality; one has to die several times while one is still alive.

- Friedrich Nietzsche 1888

But nothing equals the wrenching power of this sacred place where the totality of the Shoah is told. We could come here a thousand times and each time our hearts would break. For here we see the depravity to which man can sink, the barbarism that unfolds when we begin to see our fellow human beings as somehow less than us, less worthy of dignity, and of life.

- Barack Obama, 2013

### 9.1 Introduction

This chapter presents the conclusions and contributions of this thesis. Section 9.2 retraces the successive losses of life experienced by the Jews within the *state of exception* in Nazi Germany as revealed through the theoretical triptych offered here – loss of financial *bios*, loss of political *bios* and finally loss of *zoē* (bare life). Sections 9.3, 9.4 and 9.5 present the study's contributions to theory, methodology and the accounting literature respectively. Section 9.6 discusses the limitations of the thesis. Possibilities for future research are considered in section 9.7, and section 9.8 provides some concluding comments.

### 9.2 Tracing the successive losses of life in the *state of exception*

The literature review presented in chapter two revealed the spaces to which this study could contribute, both theoretically and empirically, to the 'new' critical accounting literature that is focussed on the Holocaust, suffering, destruction and death. Drawing on concepts from the work of Agamben and Foucault, the thesis examined how successive aspects of losses of life were made possible in the Nazi *state of exception*. The thanatopolitical State, with its dual ambitions to *make live* (construction of a particular group) and *make die* (destruction of a

particular group), was shown as capable of implementing policies that were designed to progressively strip away the humanity and lives of citizens. This section retraces the successive losses of the Jews through the theoretical triptych, set amongst the broader contextual conditions of Germany post-WWI; the rule of the Nazi Party and the war efforts of Germany in WWII. The lives of 'Others' designated as *homo sacers* within a contemporary context are also considered to demonstrate the broader applicability of this theoretical structure.

### 9.2.1 The Holocaust

The defining condition that allowed for the operation of thanatopower was the legal enactment of the Nazi *state of exception*, characterised by the suspension of civil rights in conjunction with supreme executive power (Agamben 2005). Without constitutionally protected rights, acts inflicted on citizens were 'legalised' through executive decree, leaving citizens vulnerable to the State imperative of *make die* and *make live* (Agamben 1995, 2005). After the Nazis came to power, supreme power was given to the Chancellor (Hitler), and from the enactment of the *state of exception* Germany consisted of two indistinct zones: the civil sphere and the *state of exception* (Agamben 2005). The boundary between the two ebbed and flowed according to Hitler and/or Nazi demands.

Through legally espoused decrees that were introduced incrementally, the Jews were progressively denationalised and excluded from German economy and society (Hayes 1987, 2004; Newton 1990; Goldhagen 1996; Ferencz 2009). The Aryanisation and Nazification of Germany was enacted by the Nazi State to *make die* the financial life of the Jews. This operation of thanatopower (*make die* and *make live*) reflected the coalescence of Foucault's and Agamben's ideas. In bringing together the legal (Agamben) and the economic (Foucault) spheres, the financial panel in the theoretical triptych was introduced. The financial themes implicate accounting as the primary discourse of financial lives. The loss of financial *bios* by the

Jews illustrated the destructive aspects of accounting as it ignores the ways in which lives were (re)presented within it. By incorporating financial *bios* as a bridge between the work of Foucault and Agamben, I have presented financial life as a core element of human *bios*.

The revocation of the Jews' ownership of property and their ability to be employed, along with the imposition of exorbitant taxes, rendered the Jewish population financially dead. The loss of financial *bios* enacted through Nazi policy and reinforced by company action left the Jews exposed to destitution, violence and death. Companies such as Degussa, Deutsche Bank and I.G. Farben became conduits for State policy, even as that policy was counter to capitalist objectives. Aryan businesses took over Jewish businesses in the hopes of producing profit in the corporative economy (*make live*), within a State where racist ideology superseded all other policies. The businesses progressed to the point where they actively implemented the *make die* imperative pursued by the State to 'kill' Jewish financial life. From this vulnerable position, the stage was set for the Jewish people to experience further losses, political and existential.

The loss of the political life of the Jews was explored through the second panel of loss in the theoretical triptych. This loss began with the enactment of the *Nuremberg Laws* (1935) that denationalised all Jewish members of the German citizenry. The birth-nation tie was severed and the State categorised Judaism as a 'race' (Anti-Semitic Legislation 1933-1939, USHMM 2018). The boundary between the *state of exception* and the civil sphere became more indistinct as more people found their citizenship revoked and their rights stripped. The Nazis sought to not only intern the designated 'subrace', but also to immunise the Aryan population against the disease of Jewish biology (*make live* the Aryan race) in the operation of thanatopower. The State installed the concentration camp to physically designate the *state of exception*. The camp was a space where 'legalised lawlessness' (Humphreys 2006) proliferated such that "the threshold on which violence passes over into law and law passes over into violence" was breached (Agamben 1995, p. 32). The Jews, as slaves, were stripped of their

financial life, citizenship and political *bios* and were *made to die* through the policy of 'extermination through labour'. This situation was exploited by German companies who were willing conspirators in the thanatopolitical State. The racial hierarchy that defined Germany formed the baseline for conditions and work assignments at the factory. The lives of the workers were secondary, or negligible, as they were already socially dead beings through the removal of political *bios*. Business decisions were made and enacted through accounting that resulted in the dehumanisation, persecution and death of workers while protecting and augmenting the Aryan citizen (*make live*). With the loss of their financial and political *bios*, the Jews were reduced to *homo sacer* with only *zoē* remaining. Life as *zoē* was documented through testimonial excerpts which provided better insights and understandings in addressing the silences in the accounting information.

The third and final panel in the theoretical triptych relates to the loss of *zoē*. As pure *zoē*, indistinct from other living organisms, the Jews were exterminated "as lice, which is to say, as *bare life*" (Agamben 1995, p. 114). The Germans had achieved *Judenfrei* at this point, as extermination destroyed the core element of life, after the victims were stripped of their humanity (Agamben 1995). The 'Final Solution' was borne from the lawlessness in the *state of exception*, which exposed the Jews to unfettered violence, culminating in death (Agamben 1995). Following the successive losses of financial and political life, the Jew was subjected to any Nazi act within the *state of exception* without legal or juridical recourse (Agamben 2005). Corporate complicity enabled the mass murder of over one million Jews to fulfil the thanatopolitical imperative to *make die* the *zoē* (*bare life* of the Jew) (Hayes 1987, 2004; Agamben 1995, 2005). In doing so, the *state of exception* became the *nomos* for the State, as *exception* became the rule. The destruction of the Jewry was achieved as each individual was reduced to *zoē* (without *bios*) and then killed.

The successive losses of life experienced by the Jews were facilitated by a complex matrix of people, organisations, institutions, ideologies, policies and practices, as well as overarching contextual challenges predicated on the losses of World War I, a depressed economy and underlying racism. German law passed over into thanatopower, which provided legal means to remove the financial and political *bios* of those who had previously been members of the citizenry (Agamben 2005). The meticulous accounting for people, their wealth, labour, assets, taxes, reparations and even death, was vital to the Nazi State (Arad et al 1981; Funnel 1998). This was clearly reflected by Himmler who threatened that “anyone who takes so much as a single mark... [will be] a dead man” (*Speech by Himmler to SS Officers, October 4, 1943*, in Arad et al 1981, p. 345). Accounting was used as a tool (weapon) by the Nazi State to narrate business deals and tally financial costs, but in doing so created (in)visibilities and designated (non)values. The Jewish account was silenced as it fell outside the sterile discourse of accounting. By only accounting for the financial aspect of Aryanisation, forced and slave labour, and death, the human experience of the Jews, and the non-financial consequences of Nazi policy, were suppressed. The human ramifications of Nazi policies were disguised by numbers, designed to highlight the only values of importance to the State – namely cost-effectiveness, efficiency and above all the eradication of the Jew. Businesses not only complied with financially and socially racist legislation within the corporative economy, they also sought to profit from it at the expense of human lives (Hayes 1987, 2004; Billstein et al 2000; James 2001; Cinquini 2007). The power apparatus that enabled the Holocaust (including accounting technologies and businesses) were instrumental in the losses initiated by the *state of exception*.

Deployments of thanatopower, examples of *states of exception*, as well as versions of the *homo sacer*, permeate history. The camp, as a place where citizenship is in suspense (via a *state of exception*), can be traced historically through the *campos de concentraciones* operated by the Spanish in Cuba (1896), the concentration camps operated by the British in South Africa during the Boer War (1899), the herding of illegal immigrants into the *Stadio della Vittoria* in



Italy (1991), and the *zones d'attentes* in France for refugees (1992) (Agamben 1995). Contemporary examples extend to off-shore detention centres operated by Australia (Manus Island and Nauru), the prison camps operated by the United States (Guantánamo Bay) and the internment camps operated by China (Xinjiang 're-education' camps). The various operations of thanatopower<sup>120</sup> have the potential to be better understood through the theoretical structure of this thesis, which provides scope for offering better theoretical awareness, insights and hermeneutics.

### 9.3 Contributions to theory

The theoretical structure outlined in chapter four, which adapted Foucault's (1976, 1978, 1979) concept of biopolitics and Agamben's (1995, 2005, 2015a) concept of the *state of exception* to form a thanatopolitical exposition of power. It is unique in accounting studies and provides a contribution to accounting theory to be used as a framework by accounting scholars. As discussed, the diverse range of 'new' accounting histories concerning slavery, war and identity construction may be supplemented by narratives shaped by this theoretical structure, in hopes that our understanding of them can be enhanced. This approach can also serve to confront or disrupt our knowledge of accounting, as this study has done. The post-liberal theoretical structure adopted here does not seek to abandon liberal values, but rather offer a thanatopolitical visualisation of history.

A second contribution relates to the introduction of an additional layer of life to Agamben's *forms of life*. Agamben (1995, 2002, 2005) speaks of a single difference between humans and other living organisms – political *bios*. In this thesis, the loss of political *bios* is

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<sup>120</sup> As the culmination of power apparatus to which some States have not progressed such as the Nazis did to the destruction of *zoē*.

prefaced by the loss of financial *bios*. Financial *bios* relates to the ability of humans to participate financially in society via property ownership or wage-earning capacity<sup>121</sup>. Thus, to be reduced to *zoē*, humans are first divested of both their financial and political *bios*. The three stages of loss have been represented in the theoretical triptych. Chapter six demonstrated how the loss of financial *bios* initiated further losses, and how that could be a precursor to genocidal acts. This contribution not only extends the work of Agamben by providing a new element of *bios* and loss, but it also provides a theoretical lens from which accounting studies can be viewed and applied.

The work of Giorgio Agamben is absent from the critical accounting literature, despite its potential to help us understand accounting's role in thanatopolitical exercises of power. The notions of the *state of exception*, *homo sacer*, *exception*, *zoē*, *bios*, *bare life* and thanatopower give greater insight into State machinations that are designed to *make live* and *make die* their citizenry. Teasing out the political, legal, executive, and juridical power apparatus that operate within thanatopolitical regimes elucidates not only historical cases of genocide, but contemporary instances of thanatopower. By introducing these terms and their theoretical nuances, this thesis has provided a theoretical structure from which contemporary issues of State-inflicted harm to, and persecution of, citizens can be studied.

#### 9.4 Contributions to methodology

This study has sought to eschew the traditional notion of prescribed 'method' in favour of a more flexible investigation into available texts. This allowed me to move in the interstices of accounting, highlighting the (in)visibilities and (non)values enacted through accounting practice. While the unstructured method used is not novel to the critical literature (see Andrew

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<sup>121</sup> In capitalist economies which allow private ownership of property.

1999; Chwastiak 2001, 2008, 2013; Chwastiak & Young 2003; Chwastiak & Lehman 2008; Lehman et al 2016; Amernic & Craig 2017), I have added new work to this literature, and continued to challenge the assumption that structured method is necessarily a 'better' way to conduct scholarly inquiries. A close reading of material has allowed me to tease out the silences, hidden deployments of power, and voices of the persecuted. From this, a far richer and nuanced insight into the Holocaust has been achieved.

Instead of looking at the political structures of the State and the use of accounting as an objective practice, a more fluid approach has repositioned the victims as central characters in their own accounts (Arrington & Francis 1993). By embracing a view that is open to all possible accountings (Arrington & Francis 1993; Gray et al 1997; Zhang et al 2012; Broadbent & Laughlin 2013; Lehman et al 2016), the narrative has been extended to the accounting for people's lives. Further, this method has revealed the dark underbelly of accounting through an exploration of the decisions made by companies that instrumentalised thanatopolitical policy.

## 9.5 Contributions to accounting literature

This thesis contributes to the extant accounting literature in terms of highlighting 'silences' or the 'Other' on the margins of accounting (see Hammond & Streeter 1994; Hammond & Sikka 1996; Funnell 1998; Neu 2000; Hammond 2003; Fleischman & Tyson 2004; Fleischman et al 2004; Preston 2006; Lippman & Wilson 2007; Oldroyd et al 2008; Heier 2010; Haynes 2010; Lehman et al 2018). The critical investigation undertaken has highlighted the dangers of accounting information, primarily in creating (in)visibilities (Broadbent & Laughlin 1994; Carnegie & Napier 1996; Funnell 1998) and (non)values (Rose & Miller 1992; Funnell 1998; Fleischman & Tyson 2004; Chwastiak & Lehman 2008). By seeking to 'listen' to the silences (Agamben 2002), new visibilities and values emerge. Interposing accounting numbers with the

voice of the 'Other', and giving space for the silences to be uncovered through testimony, contributes empirically to the accounting literature. Disrupting the traditional and financial notions of accounting with accounts of people provides a richer tapestry of human experience and adds to our collective knowledge on the Holocaust.

The Holocaust as a topic has offered scope for addressing the processes or the consequences of Aryanisation. Aryanisation has only been briefly addressed in the accounting literature (see Funnell 1998), and this thesis represents a significant step in addressing this lack of scholarly focus. By extending Agamben's *forms of life* to include financial *bios*, and by bringing loss of financial life into the theoretical triptych of loss, this thesis has been able to implicate accounting in the financial death of citizens.

This attention to the financial side of the Nazi genocide has provided the opportunity to focus on the role of businesses in enabling the ideological imperatives of the Third Reich. Apart from the work of Dillard (2003), the accounting literature lacks thorough investigation into the complicity of businesses in the Holocaust. By examining specific companies and tracing the firms Degussa and I.G. Farben through each stage of loss, this thesis has demonstrated how businesses were conduits for State than topolitical policy. Despite early attempts to financially recompense the Jews for their businesses, the Aryan businesses soon made decisions shaped by Nazi ideology and supported by accounting discourse. These decisions ignored human implications in the Nazi era and the lives of humans became secondary, or inconsequential. After all, in pursuing profits one is pursuing an accounting construct, and this study has revealed the accounting constructs, tempered by Nazi ideology, that led to business complicity in the Holocaust.

## 9.6 Limitations of this thesis

The availability of data was restricted by the destruction, translation and sealing of documents, an impediment encountered by others engaged in Holocaust accounting studies (see Funnell 1998; Walker 2000; Dillard 2003; Neu & Graham 2004; Dillard & Ruchala 2005; Booth et al 2007; Lippman & Wilson 2007; Lippman 2009). This study has relied on the archival investigations and subsequent scholarly output of others. While use of business histories as written by others has drawn boundaries around the scope of this study, it has allowed the narrative to focus on the role of business in the Holocaust. To draw attention to the (in)visibilities and (non)values attributed through the practice of accounting, testimony of victims was gathered and woven through this narrative. The testimonies included here are a partial moment within the rich domain of available testimonies from the voices of the victims, but nevertheless provide one account of the human realities of the Holocaust.

The broad topic of the thesis necessitated choices that may have inadvertently or unavoidably excluded 'Others' from the study. Also, the extensive breadth of the study was narrowed by the access to materials. Materials that were not available through online sources or through document delivery services were excluded from the study. In addition, materials that were not available in English were also excluded.

## 9.7 Possibilities for future research

Given recent and historical instances of the *state of exception*, *bare life* and *homo sacer*, this theoretical approach has applicability in various crises of morality and law. Possible examples include the off-shore detention centres operated by Australia, the prison camps and immigration and customs enforcement camps operated by the United States, and the internment camps in China.

Future research could also concentrate on one aspect of the *forms of life*, or one case study within the nuance of financial *bios*, political *bios*, or *zoē*. To do so would provide a richer understanding of the issues of concern in this thesis, and provide scope for incorporating more of the human experience through increased use of testimony. The sequence of deaths faced by the *homo sacer* and by the Jews are each worthy of their own study. Studies along these lines could inform the evolution of the *states of exception* and the *homo sacer*. A genealogical history of the *state of exception* in all its historical incarnations (even as individual studies) would not only be a major contribution to the literature, it would inform the histories of the present, revealing the thanatopolitical structures of modern times within many forms of government.

Future research could focus on the histories of the present, that is, on conflicts happening now (such as in Australian-operated detention centres). In that way, the limitations of a retrospective historical case study (as outlined in section 9.6) could be overcome. Studying a *state of exception* as it unfolds *for us* would offer unique insight. Current testimony could be incorporated (if available, as those within the *state of exception* can be silenced by their *zoē* status), with specific interpretations offered by the theoretical structure. This sort of research could potentially disrupt and lever change, thus serving a constitutive role in constructing more civil, more just, *forms of life*.

Further enquiries could also be made into the role of accounting, the economics of 'war' on the citizen, the cost of detainment, profits from removal of the subrace and the role of business in cooperating and complying with the thanatopolitical State. The complicity of accounting practice in the unfettered use of power can be further highlighted. Accounting practice can come to the forefront of discussions of power. The use of accounting as part of the matrix that comprises thanatopolitical States implicates the practice as part of the *make die* agenda inflicted on the subrace. Continuing the research presented in this study will respond to the calls from Dillard for research "concerned with the effects of power and privilege as they

emanate from exploitative social, political and economic structures” (1991, p. 14), as well as re-centering those on the margins of accounting as visible and worthy people.

## 9.8 Concluding comments

The Holocaust escapes all reason. Using the deaths of six million people as data, and the voices of only some of the victims, cheapens the discourse of this thesis. Silence in the face of such inhumanity can seem the only fitting response.

Holocaust survivor and Nobel laureate Elie Wiesel spoke on such a subject, urging that:

We must take sides. Neutrality helps the oppressor, never the victim. Silence encourages the tormentor, never the tormented (2006).

And, from Derrida:

What cannot be said above all must not be silenced but written (1978).

I pay full respect to the commitment to silence, there are no words for what happened. However, in order to pay respect to the victims and the memory of their suffering, I cannot be silent. I must write. This study is testament to the need to hear those voices and tell *a* story, with the hopes of imparting a form of remembrance.

Listen to the silence of the ones who have been silenced (Rabbi Arthur Waskow 2001).

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## Appendix 1 – List of persecutory legislation

*Reich Flight Tax (1931)*

*Reichstag Fire Decree (1933)*

*Enabling Act (1933)*

*Law Against Malicious Gossip (1933)*

*Law Against Betraying the German National Economy (1933)*

*Law for the Restoration of the Professional Civil Service (1933)*

*Law on the Admission to the Legal Profession (1933)*

*Law Against Overcrowding in Schools and Universities (1933)*

*Law for the Prevention of Progeny of the Genetically Unhealthy (1933)*

*The Denaturalization Law (1933)*

*Law for the Prevention of Hereditarily Diseased Offspring (1933)*

*The Law on Exchange Control (1935)*

*The Army Law (1935)*

*Law for the Protection of German Blood and German Honour (1935) (Nuremberg law)*

*Reich Citizenship Law (1935) (Nuremberg law)*

*Hitler Youth Law (1936)*

*Executive Order on the Reich Tax Law (1936)*

*Executive Order on the Law on the Alteration of Family and Personal Names (1938)*

*The Decree against the Camouflage of Jewish Firms (1938)*

*Order for the Disclosure of Jewish Assets (1938)*

*Jewish Capital Levy (1938)*

*Decree on the Confiscation of Jewish Property (1938)*

*Decree on the Exclusion of Jews from German Economic Life (1938)*

*Ordinance on the Restoration of Street Scenery at Jewish Commercial Centres (1938)*

*Ordinance on the Registration of the Property of Jews (1938)*

*Ordinance on an Expiation Payments by Jews of German Citizenship (1938)*

*The Decree Concerning the Surrender of Precious Metals and Stones in Jewish Possession (1939)*

*Excess Profits Act (1939)*

*Decree of the Führer and Reich Chancellor on the Utilisation of the Requisitioned Property of Enemies of the Reich (1941)*

*Eleventh Ordinance of the Reich Citizen's Law (1942)*

*Audit of Dejewification Transactions (1942)*

## Appendix 2 – List of key Nazi figures

|                    |  |
|--------------------|--|
| Brack, Victor      | Organiser of the Euthanasia Programme (1939), Senior Colonel SS (1940-1945), Chief of Office in Affairs of the Party, State, and the Armed Forces (1936-1945)                          |
| Funk, Walther      | Reich Minister for Economic Affairs (1938-1945)  |
| Gerstein, Kurt     | Head of the Institute for Hygiene  |
| Goebbels, Joseph   | Reich Minister of Propaganda (1933-1945)   |
| Göring, Hermann    | President of the Reichstag 1932-1945   |
| Gross, Walter      | Head of the Reich Bureau for Enlightenment on Population Policy and Racial Welfare (1934-1945)   |
| Heydrich, Reinhard | Senior Group Leader (1940-1942), General of Police (1940-1942), Chief of the Reich Main Security Office (including the Gestapo) (1939-1942), Chairman of the Wannsee Conference (1942) |
| Hilpert, Adolf     | Foreman at Blankenburg (DGW)   |
| Hitler, Adolf      | Leader of the Nazi Party, German Chancellor and Führer (1933-1945)   |
| Himmler, Heinrich  | Reichsführer – SS, Chief of German Police (1936-1945)  |
| Horn, Max          | SS officer and accountant  |
| Höss, Rudolf       | Commandant of Auschwitz (1940-1943 and 1944-1945)  |
| Krohn, Johannes    | Reichskommissar (Secretary of State for the treatment of enemy property) (1941-1945)   |
| Ohlendorf, Otto    | Commander of Einsatzgruppe D (1941-1942)   |
| Pohl, Oswald       | Head of the SS Main Economic and Administrative Office, Head Administrator of the Nazi concentration camps (1939-1945)   |
| Pross, Robert      | Head of plant (DGW)  |
| Röhm, Ernst        | Co-founder and later Commander of the <i>Sturmabteilung</i> (1930-1934)  |
| Speer, Albert      | Reich Minister of Armaments and War Production (1942-1945)   |
| Wanieck, Otto      | President of the <i>Institut</i> (1933)  |