

CHAPTER NINE

Wall Street and the Nazi Inner Circle

During the entire period of our business contacts we had no inkling of Farben's conniving part in Hitler's brutal policies. We offer any help we can give to see that complete truth is brought to light and that rigid justice is done. (F. W. Abrams, Chairman of the Board, Standard Oil of New Jersey, 1946.)

Adolf Hitler, Hermann Goering, Josef Goebbels, and Heinrich Himmler, the inner group of Nazism, were at the same time heads of minor fiefdoms within the Nazi State. Power groups or political cliques were centered around these Nazi leaders, more importantly after the late 1930s around Adolf Hitler and Heinrich Himmler, Reich-Leader of the S.S. (the dreaded *Schutzstaffel*). The most important of these Nazi inner circles was created by order of the Fuehrer; it was known first as the Keppler Circle and later as Himmler's Circle of Friends.

The Keppler Circle originated as a group of German businessmen supporting Hitler's rise to power before and during 1933. In the mid-1930s the Keppler Circle came under the influence and protection of S.S. chief Himmler and the organizational control of Cologne banker and prominent Nazi businessman Kurt von Schroder. Schroder, it will be recalled, was head of the J.H. Stein Bank in Germany and affiliated with the L. Henry Schroder Banking Corporation of New York. It is within this innermost of the inner circles, the very core of Nazism, that we find Wall Street, including Standard Oil of New Jersey and I.T.T., represented from 1933 to as late as 1944.

Wilhelm Keppler, founder of the original Circle of Friends, typifies the well-known phenomenon of a politicized businessman — *i.e.*, a businessman who cultivates the political arena rather than the impartial market place for his profits. Such businessmen have been interested in promoting socialist causes, because a planned socialist society provides a most lucrative opportunity for contracts through political

influence.

Scouting such profitable opportunities, Keppler joined the national socialists and was close to Hitler before 1933. The Circle of Friends grew out of a meeting between Adolf Hitler and Wilhelm Keppler in December 1931. During the course of their conversation — this was several years before Hitler became dictator — the future Fuehrer expressed a wish to have reliable German businessmen available for economic advice when the Nazis took power. *"Try to get a few economic leaders — they need not be Party members — who will be at our disposal when we come into power."*¹ This Keppler undertook to do.

In March 1933 Keppler was elected to the Reichstag and became Hitler's financial expert. This lasted only briefly. Keppler was replaced by the infinitely more capable Hjalmar Schacht, and sent to Austria where in 1938 he became Reichs Commissioner, but still able to use his position to acquire considerable power in the Nazi State. Within a few years he captured a string of lucrative directorships in German firms, including chairman of the board of two I.G. Farben subsidiaries: Braunkohle-Benzin A.G. and Kontinental Oil A.G. Braunkohle-Benzin was the German exploiter of the Standard Oil of New Jersey technology for production of gasoline from coal. (See Chapter Four.)

In brief, Keppler was the chairman of the very firm that utilized American technology for the indispensable synthetic gasoline which enabled the Wehrmacht to go to war in 1939. This is significant because, when linked with other evidence presented in this chapter, it suggests that the profits and control of these fundamentally important technologies for German military ends were retained by a small group of international firms and businessmen operating across national borders.

Keppler's nephew, Fritz Kranefuss, under his uncle's protection, also gained prominence both as Adjutant to S.S. Chief Heinrich Himmler and as a businessman and political operator. It was Kranefuss' link with Himmler which led to the Keppler circle gradually drawing away from Hitler in the 1930s to come within Himmler's orbit, where in exchange for annual donations to Himmler's pet S.S. projects Circle members received political favors and not inconsiderable protection from the S.S.

Baron Kurt von Schroder was, as we have noted, the I.T.T. representative in Nazi Germany and an early

member of the Keppler Circle. The original Keppler Circle consisted of:

THE ORIGINAL (PRE-1932) MEMBERS OF THE KEPPLER CIRCLE

Circle Member

Wilhelm KEPPLER

Fritz KRANEFUSS

Kurt von SCHRODER

Karl Vincenz KROGMANN

August ROSTERG

Emil MEYER

Otto STEINBRINCK

Hjalmar SCHACHT

Emil HELFFRICH

Friedrich REINHARDT

Ewald HECKER

Graf von BISMARCK

Main Associations

Chairman of I.G. Farben subsidiary Braunkohle-Benzin A.G. (exploited Standard Oil of N.J. oil from coal technology)

Keppler's nephew and Adjutant to Heinrich Himmler. On Vorstand of BRABAG

On board of all International Telephone & Telegraph subsidiaries in Germany

Lord Mayor of Hamburg

General Director of WINTERSHALL

On the board of I.T.T. subsidiaries and German General Electric.

Vice president of VEREINIGTE STAHLWERKE (steel cartel founded with Wall Street loans in 1926)

President of the REICHSBANK

Board chairman of GERMAN-AMERICAN PETROLEUM CO. (94-percent owned by Standard Oil of New Jersey) (See above under Wilhelm Keppler)

Board chairman COMMERZBANK

Board chairman of ILSEDER HUTTE

Government president of STETTIN

The S.S. Circle of Friends

The original Circle of Friends met with Hitler in May 1932 and heard a statement of Nazi objectives. Heinrich Himmler then became a frequent participant in the meetings, and through Himmler, various S.S. officers as well as other businessmen joined the group. This expanded group in time became Himmler's Circle of Friends, with Himmler acting as protector and expeditor for its members.

Consequently, banking and Industrial interest — were heavily represented in the inner circle of Nazism, and their pre-1933 financial contributions to Hitlerism which we have earlier enumerated were amply repaid. Of the "Big Five" German banks, the Dresdner Bank had the closest connections with the Nazi Party: at least a dozen members of Dresdner Bank's board of directors had high Nazi rank and no fewer than seven Dresdner Bank directors were among Keppler's expanded Circle of Friends, which never exceeded 40.

When we examine the names comprising both the original pre-1933 Keppler Circle and the post-1933 expanded Keppler and Himmler's Circle, we find the Wall Street multi-nationals heavily represented — more so than any other institutional group. Let us take each Wall Street multinational or its German associate in turn — those identified in Chapter Seven as linked to financing Hitler — and examine their links to Keppler and Heinrich Himmler.

I.G. Farben and the Keppler Circle

I.G. Farben was heavily represented within the Keppler Circle: no fewer than eight out of the peak circle membership of 40 were directors of I.G. Farben or a Farben subsidiary. These eight members included the previously described Wilhelm Keppler and his nephew Kranefuss, in addition to Baron Kurt von Schroder. The Farben presence was emphasized by member Hermann Schmitz, chairman of I.G. Farben and a director of Vereinigte Stahlwerke, both cartels built and consolidated by the Wall Street loans of the 1920s. A U.S. Congressional report described Hermann Schmitz as follows:

Hermann Schmitz, one of the most important persons in Germany, has achieved outstanding success simultaneously in the three separate fields, industry, finance, and government, and has served with zeal and devotion every government in power. He symbolizes the German citizen who out of the devastation of the First World War made possible the Second.

Ironically, his may be said to be the greater guilt in that in 1919 he was a member of the Reich's peace delegation, and in the 1930's was in a position to teach the Nazis much that theft had to know concerning economic penetration, cartel uses, synthetic materials for war.²

Another Keppler Circle member on the I.G. Farben board was Friedrich Flick, creator of the steel cartel Vereinigte Stahlwerke and a director of Allianz Versicherungs A.G. and German General Electric (A.E.G.).

Heinrich Schmidt, a director of Dresdner Bank and chairman of the board of I.G. Farben subsidiary Braunkohle-Benzin A.G., was in the circle; so was Karl Rasehe, another director of the Dresdner Bank and a director of Metallgesellschaft (parent of the Delbruck Schickler Bank) and Accumulatoren-Fabriken A.G. Heinrich Buetefisch was also a director of I.G. Farben and a member of the Keppler Circle. In brief, the I.G. Farben contribution to Rudolf Hess' Nationale Treuhand — the political slush fund — was confirmed after the 1933 takeover by heavy representation in the Nazi inner circle.

How many of these Keppler Circle members in the I.G. Farben complex were affiliated with Wall Street?

**MEMBERS OF THE ORIGINAL KEPPLER CIRCLE
ASSOCIATED WITH U.S. MULTI-NATIONALS**

Member of Keppler Circle	I.G. Farben	I.T.T.	Standard Oil of New Jersey	General Electric
Wilhelm KEPPLER	Chairman of Farben subsidiary BRABAG		—	
Fritz KRANEFUSS	On Aufsichtsrat of			

Emil Heinrich MEYER	On board of all I.T.T. German subsidiaries: Standard/Mix & Genest/Lorenz	—	—	Board of A.E.G.
Emil HELFFRICH			Chairman of DAPAG (94-percent owned by Standard of New Jersey)	
Friedrich FLICK	I.G. Farben	—	—	Board of A.E.G.
Kurt von SCHRODER	On board of all I.T.T. subsidiaries in Germany			

Similarly, we can identify other Wall Street institutions represented in the early Keppler's Circle of Friends, confirming their monetary contributions to the National Trusteeship Fund operated by Rudolf Hess on behalf of Adolf Hitler. These representatives were Emil Heinrich Meyer and banker Kurt von Schroder on the boards of all the I.T.T. subsidiaries in Germany, and Emil Helffrich, the board chairman of DAPAG, 94-percent owned by Standard Oil of New Jersey.

Wall Street in the S.S. Circle

Major U.S. multi-nationals were also very well represented in the later Heinrich Himmler Circle and made cash contributions to the S.S. (the Sonder Konto S) up to 1944 — while World War II was in progress.

Almost a quarter of the 1944 Sonder Konto S contributions came from subsidiaries of International

Telephone and Telegraph, represented by Kurt von Schröder. The 1943 payments from I.T.T. subsidiaries to the Special Account were as follows:

Mix & Genest A.G.	5,000 RM
C. Lorenz AG	20,000 RM
Felten & Guilleaume	25,000 RM
Kurt von Schroder	16,000 RM

And the 1944 payments were:

Mix & Genest A.G.	5,000 RM
C. Lorenz AG	20,000 RM
Felten & Guilleaume	20,000 RM
Kurt von Schroder	16,000 RM

Sosthenes Behn of International Telephone and Telegraph transferred wartime control of Mix & Genest, C. Lorenz, and the other Standard Telephone interests in Germany to Kurt von Schroder — who was a founding member of the Keppler Circle and organizer and treasurer of Himmler's Circle of Friends. Emil H. Meyer, S.S. Untersturmfuehrer, member of the Vorstand of the Dresdner Bank, A.E.G., and a director of all the I.T.T. subsidiaries in Germany, was also a member of the Himmler Circle of Friends — giving I.T.T. two powerful representatives at the heart of the S.S.

A letter to fellow member Emil Meyer from Baron von Schroder dated February 25, 1936 describes the purposes and requirements of the Himmler Circle and the long-standing nature of the Special Account 'S' with funds at Schroder's own bank — the J,H. Stein Bank of Cologne:

Berlin, 25 February 1936

(Illegible handwriting)

To Prof. Dr. Emil H. Meyer

S.S. (Untersturmführer) (second lieutenant) Member of the Managing Board (Vorstand) of
the Dresdner Bank

Berlin W. 56,
Behrenstr. 38

Personal!

To the Circle of Friends of the Reich Leader SS

At the end of the 2 day's inspection tour of Munich to which the Reich Leader SS had invited us last January, the Circle of Friends agreed to put — each one according to his means — at the Reich Leader's disposal into "Special Account S" (Sonder Konto S), to be established at the banking firm J.H. Stein in Cologne, funds which are to be used for certain tasks outside of the budget. This should enable the Reich Leader to rely on all his friends. In Munich it was decided that the undersigned would make themselves available for setting up and handling this account. In the meantime the account was set up and we want every participant to know that in case he wants to make contributions to the Reich Leader for the aforementioned tasks — either on behalf of his firm or the Circle of Friends — payments may be made to the banking firm J.H. Stein, Cologne (Clearing Account of the Reich Bank, Postal Checking Account No. 1392) to the Special Account S.

: Heil Hitler!

(Signed) Kurt Baron von Sehroder

(Signed) Steinbrinck³

This letter also explains why U.S. Army Colonel Bogdan, formerly of the Schroder Banking Corporation in New York, was anxious to divert the attention of post-war U.S. Army investigators away from the J. H. Stein Bank in Cologne to the "*bigger banks*" of Nazi Germany. It was the Stein Bank that held the secrets of the associations of American subsidiaries with Nazi authorities while World War II was in progress. The New York financial interests could not know the precise nature of these transactions (and particularly the nature of any records that may have been kept by their German associates), but they knew that *some* record could well exist of their war-time dealings — enough to embarrass them with the American public. It was this possibility that Colonel Bogdan tried unsuccessfully to head off.

German General Electric profited greatly from its association with Himmler and other leading Nazis. Several members of the Schroder clique were directors of A.E.G., the most prominent being Robert Pferdmenges, who was not only a member of the Keppler or Himmler Circles but was a partner in the aryanized banking house Pferdmenges & Company, the successor to the former Jewish banking house Sal Oppenheim of Cologne. Waldemar von Oppenheim achieved the dubious distinction (for a German Jew) of "*honorary Aryan*" and was able to continue his old established banking house under Hitler in partnership with Pferdmenges.

MEMBERS OF THE HIMMLER CIRCLE OF FRIENDS WHO WERE ALSO DIRECTORS OF AMERICAN-AFFILIATED FIRMS:

	I.G. Farben	I.T.T.	A.E.G.	Standard Oil of New Jersey
KRANEFUSS, Fritz	X			
KEPPLER, Wilhelm	X			
SCHRODER, Kurt Von	X	X		
BUETEFISCH, Heinrich	X			
RASCHE, Dr. Karl	X			
FLICK, Friedrich	X		X	
LINDEMANN, Karl				X

SCHMIDT, Heinrich	x	
ROEHNERT, Kellmuth		x
SCHMIDT, Kurt		x
MEYER, Dr. Emil		x
SCHMITZ, Hermann	x	

Pferdmenges was also a director of A.E.G. and used his Nazi influence to good advantage.⁴

Two other directors of German General Electric were members of Himmler's Circle of Friends and made 1943 and 1944 monetary contributions to the Sonder Konto S. These were:

Friedrich Flick	100,000 RM
Otto Steinbrinck (a Flick associate)	100,000 RM

Kurt Schmitt was chairman of the board of directors of A.E.G. and a member of the Himmler Circle of Friends, but Schmitt's name is not recorded in the list of payments for 1943 or 1944.

Chart 9-1. Wall St. Representation in the Keppler and Himmler Circles, 1933 and 1944.

Standard Oil of New Jersey also made a significant contribution to Himmler's Special Account through its wholly owned (94 percent) German subsidiary, Deutsche-Amerikanische Gesellschaft (DAG). In 1943 and 1944 DAG contributed as follows:

Staatsrat Helfferich of Deutsch- Amerikanische Petroleum A.G.	10,000 RM
Staatsrat Lindemann of Deutsch- Amerikanische Petroleum A.G.	10,000 RM
and personally	4,000 RM

It is important to note that Staatsrat Lindemann contributed 4,000 RM *personally*, thus making a clear distinction between the corporate contribution of 10,000 RM from Standard Oil of New Jersey's wholly owned subsidiary and the personal contribution from director Lindemann. In the case of Staatsrat Hellfrich, the only contribution was the Standard Oil contribution of 10,000 RM; there is no recorded personal donation.

I.G. Farben, parent company of American I.G. (see Chapter Two), was another significant contributor to Heinrich Himmler's Sonder Konto S. There were four I.G. Farben directors within the inner circle: Karl Rasehe, Fritz Kranefuss, Heinrich Schmidt, and Heinrich Buetefisch. Karl Rasche was a member of the management committee of the Dresdner Bank and a specialist in international law and banking. Under Hitler Karl Rasche became a prominent director of many German corporations, including Accumulatoren-Fabrik A.G. in Berlin, which financed Hitler; the Metallgesellschaft; and Felten & Guilleame, an I.T.T. company. Fritz Kranefuss was a member of the board of directors of Dresdner Bank and a director of several corporations besides I.G. Farben. Kranefuss, nephew of Wilhelm Keppler, was a lawyer and prominent in many Nazi public organizations. Heinrich Schmidt, a director of I.G. Farben and several other German companies, was also a director of the Dresdner Bank.

It is important to note that all three of the above — Rasche, Kranefuss, and Schmidt — were directors of an I.G. Farben subsidiary, Braunkohle-Benzin A.G. — the manufacturer of German synthetic gasoline using Standard Oil technology, a result of the I.G. Farben-Standard Oil agreements of the early 1930s.

In brief, the Wall Street financial elite was well represented in both the early Keppler Circle and the later Himmler Circle.⁵

Footnotes:

¹From the affidavit of Wilhem Keppler, *NMT*, Volume VI, p. 285.

²*Elimination of German Resources*, p. 869.

³*NMT*, Volume VII, p. 238. "Translation of Document N1-10103, Prosecution Exhibit 788." Letter from von Schroder and Defendant Steinbrinck to Dr. Meyer, Dresdner Bank official, 25 February 1936, noting that the Circle of Friends would put funds at Himmler's disposal "For Certain Tasks outside of the Budget" and had established a "Special Account for this purpose."

⁴*Elimination of German Resources*, p. 857.

⁵The significant nature of this representation is reflected in Chart 8-1, "Wall Street representation in the Keppler and Himmler Circles, 1933 and 1944."

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