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ABS, Hermann Josef

FEDERAL REPUBLIC OF GERMANY

Hermann Josef Abs, member of the management board of the Deutsche Bank in Berlin and the Deutsche Bank AG in Frankfurt/Main, is one of the world's leading authorities in the field of international finance. Dubbed as the Federal Republic's "financial ambassador" because he has represented the government at numerous international conferences, Abs has played a leading role in the evolution of West Germany's postwar economy. As personal adviser to Chancellor Konrad Adenauer, he has contributed in many ways to the solution of the numerous financial problems of defeat and national reconstruction and deserves much of the credit for the reorganization and revitalization of German banking and industry, the re-establishment of German credit, and Germany's re-emergence as a leader in the financial world. He has also been connected with many movements promoting European economic unity and currently serves as chairman of the German section of the Organization for European Economic Cooperation (OEEC) and as a member of the Europa Union. A staunch supporter of the Christian Democratic Union (CDU), Abs has been mentioned as a candidate for a cabinet post ever since the creation of the Federal Republic in 1949 but has refrained from accepting a government position at the national level. Several reasons have been advanced for his refusal, the most often being that he wishes to remain independent and not be overshadowed by the Chancellor; this undoubtedly ties in with the report that the only position in government which would interest him would be the Chancellorship. Another report, however, points out that he is probably considered a bad political risk by CDU leaders because of his vulnerability on two accounts: the prosperity and influence he enjoyed under the Nazis; and the fact that as Germany's leading financier, he personifies German efforts to make financial penetration abroad.

Abs was born in Bonn on 15 October 1901, the son of a prominent attorney. He entered the field of banking as an apprentice in 1920 while attending night courses at the University of Bonn. Between 1923 and 1928 he worked in banks in London and Amsterdam, and traveled in Western Europe, the United States, and South America. In 1929 he joined the Berlin bank Delbreuck Schickler and Company and in 1935 was named one of the firm's partners. Two years later he became a member of the management board of the Deutsche Bank and in 1938 was elected head of the bank's foreign department, a position in which he became a member of the boards of numerous foreign banks and industries in which the Deutsche Bank held an interest. In recognition of his ability, Abs was also made head of the German Debt Committee and in 1939 was sent to the

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London Conference on the Moratorium Agreements as Germany's chief representative.

Abs has been a center of controversy and the subject of much criticism because of the many influential positions he held during the Third Reich and his role in the determination and implementation of Nazi economic policy. This controversy crystallized in 1949 when he traveled to New York for private discussions with an organization known as the Committee for Standstill Creditors of Germany, a group representing American banks which held pre-war German credits. The trip itself caused quite a stir in the press and was further complicated by reports that Abs had been invited by the New York Federal Reserve Bank. The confusion arose over the fact that Abs traveled with another German banker who had received such an invitation. The end result was an intensive investigation of Abs' past activities. It was proved that he served on the directorate of more than 30 companies during the Nazi era, although, according to the Corporation Law of 1937, the maximum permissible number was 20. As chief of the foreign department of the Deutsche Bank between 1938 and 1945, he served as the principal liaison officer between the bank and the Reich Ministry of Economics, and was responsible for the bank's penetration into the annexed, occupied and conquered countries of Europe and the exploitation of their financial and industrial resources. Since membership in the Nazi Party might have hampered him in his dealings, Abs was reported to have gone through the entire Nazi period without becoming a member of the party.

Removed from all his positions at the end of World War II, Abs was not permitted to play any role in German banking or industry until 1948, when, despite his reputation as one of the most powerful business leaders in the Nazi economy, he was exonerated by the Hamburg denazification court. Since then, Abs' recovery has been phenomenal and he has served the government in numerous capacities. In 1948 he was appointed deputy chairman of the administrative council of the Kreditanstalt fuer Wiederaufbau (Credit Institute for Reconstruction), an institute which distributed Marshall Plan funds to German industry; he is now chairman of the administrative council of this institute. In 1951 he became a member of the Experts Committee of the Schumann Plan, was engaged in organizational work for the German contingent of the OEEC, and joined the economic council of the German committee for the European Movement. He was also appointed permanent chairman of the German Debt Commission and, in this capacity, led the German delegation to the international conference on pre-war and post-war German debts, held in London in 1952. The result of the conference was the so-called London Debts Agreement which, in essence, re-established German credit abroad. Returning to Germany, Abs helped form an investment-aid law for basic industries and then served as chief negotiator in the German-Israeli bargaining over restitution settlement. These negotiations

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culminated in the Israel Debts Agreement which stressed the moral integrity of the Federal Republic. Abs next turned his attention to the reorganization of German banks, which had been a target of Allied decartelization procedures, and helped to recentralize their authority and calculate their credit policies. He then became the government's spokesman in the negotiations with the United States to secure the return of German assets confiscated during the war. In this connection, he has visited the United States on several occasions, lending his support to lobbyists who have been working on the problem here. He was also one of the first major proponents of having mutual aids handled on a universal basis. Since 1953, he has also served on the East Committee of the German Economy, a position which is influential in the determination of government policies toward trade with the Soviet orbit. A proponent of free economy, Abs has in recent years developed an increasing interest in aid to underdeveloped areas. In 1956 he was elected president of the newly-formed Society for the Protection of Investments Abroad, a society designed to protect and therefore encourage private investment to support the economic and technical development of so-called backward countries. During the same year he was also elected to the executive committee of the European Association for the Development of Natural Resources of Africa. He has recently stated privately that West Germany, as a member of the Western community, must spend three or four million marks each year for the development of such countries. Funds for this purpose should come from both private and governmental contributions.

Over the past decade, Abs has also regained his position as one of the biggest "board men" in Germany. He now serves as chairman of the supervisory council of the following banking and industrial firms: BASF Badische Anilin- & Soda-Fabrik AG, Ludwigshafen/Rhein; Bergwerksgesellschaft Dahlbusch, Geisenkirchen; Daimler Benz AG, Stuttgart; Deutsche Libbey-Owens-Gesellschaft fuer maschinelle Glasherstellung AG (DeLog), Geisenkirchen; Deutsche Lufthansa AG, Cologne; Dortmund-Hoerder Huettenunion AG, Dortmund; Philipp Holzmann AG, Frankfurt/Main; Kali-Chemie AG, Hannover; Neunkircher Eisenwerk AG, Neunkirchen; Rheinisch-Westfaelisches Elektrizitaetswerk AG, Essen; Saarlaendische Kreditbank AG, Saarbruecken; Salamander AG, Kornwestheim; Sueddeutsche-Zucker AG, Mannheim; Vereinigte Glanzstoff-Fabriken AG, Wuppertal-Eibfeld; and Zellstoff-Fabrik Waldhof, Wiesbaden. He is also honorary chairman, deputy chairman, or member of the supervisory council of ten other firms; chairman of the administrative council of the Bundesbahn; deputy chairman of Special Commission V (Economic, Financial, and Social Problems) of the German Atomic Commission; and president of the German-American Economic Association.

As evidenced by his past associations, Abs is considered by most sources to be an opportunist who is inclined to place corporal well-being

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