On the death of German multi-billionairess Johanna Quandt

Verena Nees 10 August 2015

The adulation of the super-rich by Germany's media earlier this week was quite remarkable: the object was Johanna Quandt, the third wife of Herbert Quandt, multi-billionaire and BMW heiress, who died at the age of 89 last Monday, August 3 in Bad Homburg.

According to the list of richest people in US business magazine *Forbes*, Johanna Quandt was one of the wealthiest Germans in 2015, with the equivalent of around \$14 billion in assets. Her two children, Stefan Quandt (\$15.6 billion) and Susanne Klatten (\$16.8 billion), are even richer according to *Forbes*.

She had been a "quiet billionairess," the conservative *FAZ* wrote reverentially on August 5, being "down to earth, for continuity and with a sense of social responsibility that did not drift into being a do-gooder." Other media outlets praised Johanna Quandt as a modest and reclusive woman who held the family together and spent her money to benefit the Charité University Hospital, the Frankfurt University Hospital, and the arts.

A day later, the *FAZ* admitted that Johanna Quandt had been particularly generous when it came to her children: Susanne Klatten and Stefan Quandt, today's heirs of the BMW Group. Up to 2008, their mother quietly gave them the largest part of her BMW shares, at a time when the share price was low and they did not have to worry about high taxes. The share package was worth around €2.8 billion at the time and rose in spring 2015 to a value of around €12 billion. Susanne Klatten and Stefan Quandt now jointly hold about 46 percent of BMW's ordinary shares and last year alone enjoyed a dividend of €815 million.

These days, most journalists keep quiet about the origin of the assets that Johanna Quandt knew how to multiply so "wisely," as the *FAZ* fawned. The family business grew mainly through the robbery of Jewish property and the cruel exploitation of forced labourers and concentration camp prisoners in armaments production under the Nazis during World War II.

This Nazi history was never addressed by Johanna Quandt, although her husband Herbert headed the company during the war, along with his father Günther. Only at the end of 2007, after the broadcast of the German TV documentary by Eric Friedler and Barbara Siebert, "The Silence of the Quandts," did the family hire a historian to review the record. This study by Joachim Scholtyseck, published in 2011, substantially reinforced the allegations made in the documentary.

Below, we reprint our review of the programme from November 29, 2008.

A remarkable film, *The Silence of the Quandts*, which won the Hans Joachim Friedrichs prize for television journalism, deals with the unscrupulous rise of one of Germany's richest and most influential families. The Quandts own 46.6 percent of the auto manufacturer BMW, have an estimated fortune of €20 billion and are implicated in the crimes of Hitler's Nazi regime. Today, against the background of a financial and economic crisis that evokes the events of the 1930s, the film is of

particular relevance.

The Quandts owe their wealth directly to their support of the Nazi regime and the bloody exploitation in the concentration camps—something the family is unwillingly to discuss. No family member has ever been indicted for the crimes that occurred in their company-owned concentration camps, nor has the family paid any compensation to the victims who survived.

The documentary, directed by Eric Friedler and Barbara Siebert, recounts the history of this family and the origins of their fabulous wealth. The filmmakers undertook extensive research between 2002 to 2007 in various German and foreign archives, uncovering documents that would have provided sufficient grounds for an indictment at the Nuremberg War Crimes Tribunal for crimes against humanity. Benjamin Ferencz, a lawyer and former prosecutor at the Nuremberg trials, who was shown all the documents, expresses his conviction that the evidence was sufficient for a prosecution and expresses his regret that the Quandts evaded punishment.

Today, the family lives largely out of the public gaze. There are only a few pictures or film clips from the period after the end of the Second World War that show family members. Statements or interviews were and are always refused; even filming outside the Quandt family home is forcefully prevented by security personnel.

Johanna Quandt, the third wife of Herbert Quandt and today the matriarch of the business dynasty, is shown in just one picture at the beginning of the film, while the soundtrack tells how the Quandts would like to lead a life "like any normal family." Other family members, like their children Susanne Klatten or Stefan Quandt, declined to make any statement.

Only Herbert Quandt's son Sven was willing to be interviewed for the documentary. Sven Quandt makes clear that he wastes no time thinking about the origins of his wealth, stressing that "the past should finally be laid to rest;" that would also be better for Germany, he says. He sold his shares in battery maker Varta some years ago and has since spent his time pursuing his expensive hobby as a racing driver in the "Paris-Dakar Rally."

The ascent of the Quandts

As the son of a cloth manufacturer, Günther Quandt became wealthy during the First World War through the production of uniforms. He used the inter-war years to acquire, on favourable terms, industrial companies that had become bankrupt due to the economic crisis and massive inflation. In this way, he became active in other fields of business.

His main form of manufacturing soon concentrated on the production of batteries at the AFA Battery Works in Hanover and Hagen (today: Varta). Günther Quandt was quick to seize the profitable opportunities presented

by the rise of the Nazis. He gave generous donations to the fascists and joined Hitler's National Socialists (NSDAP) in 1933. He maintained close and also private relations with prominent Nazis. Following her divorce from Quandt in 1931, his second wife Magda married the future Nazi propaganda minister Joseph Goebbels, who also adopted her son, Harald Quandt.

Günther Quandt rose under the Nazis to become one of the biggest arms tycoons. His batteries were a significant component in numerous military vehicles and weapons. The AFA works supplied the main batteries for submarines and the long-range V2 rocket during the war. Other industrial companies that belonged to the Quandts included DWM (German Weapons and Munitions Factory). In 1937, Günther Quandt was appointed the "War Economy Führer." His son Herbert (1910-1982) from his first marriage became a director of personnel in his father's company.

In 1943, and with direct support from the SS, the Quandts were able to establish a company-owned concentration camp directly alongside their battery works in Hanover. KZ (Concentration Camp) Hanover, a satellite of KZ Neuengamme, exploited the labour of both Jews and resistance fighters, as well as forced labour from France and Czechoslovakia. Prisoners from the KZ Neuengamme were selected for hard labour at the Quandt battery works.

The film features a surviving former forced labourer from Denmark, who was sent to the camp along with 41 fellow members of the Danish resistance. For the first time since his incarceration, he walks on the site of the former factory, now overgrown with grass, and looks for any familiar remnants. With tears in his eyes he tells of the lethal work involved in the production of batteries, which most of his comrades did not survive. No protective clothing was provided, and they were exposed to poisonous gases produced by heavy metals such as lead and cadmium. Immediately on arrival they were told that they would not survive longer than six months.

The filmmakers refer to internal calculations of Quandt, which assumed a monthly "turnover" of 80 people, i.e., that 80 people would die each month. Battery production also took place in a factory in Berlin Schöneweide, where women from KZ Ravensbrück were used.

A former Greek prisoner from Thessaloniki is also interviewed, who recounted how prisoners received no drinking water in the factory, had to drink from toilet basins and were subjected to whippings.

De-Nazification

At the end of the war, the allied forces organised the prosecution of industrial barons such as Flick, Krupp and the directors of the IG Farben chemicals conglomerate—which had produced the Zyklon B gas used in the gas chambers—at the Nuremberg War Crimes Tribunal for crimes against humanity and enslavement. A number of the industrial bosses were sentenced to several years' detention and the confiscation of their fortune. However, Günther Quandt succeeded in evading legal action. First, he went underground in Bavaria for one year, until the Americans interned him for two years in 1946. Quandt employed abstruse arguments to present himself as a victim of the Nazis.

The elderly sister of Magda Goebbels, whom the film shows in an old people's home, relates mockingly that at the time Günther Quandt had complained: "I now have a fortune of only 78 million dollars." The old woman has difficulty speaking, but what she says about Quandt leaves no doubt about his true attitude towards the Nazis.

Some of his battery factories lay inside the British zone of occupation. There his son, Herbert, lost no time tendering his services to the new masters, and began producing batteries for British weapons systems.

Although he was considered to have "political baggage," the British occupiers offered him protection, and just a few weeks after the Nazis surrendered in May 1945, he was one of the first to be awarded an operating permit by the British.

According to US prosecutor Benjamin Ferencz, Herbert kept quiet about the explosive evidence that could have led to an indictment. In the end, Günther Quandt was classified merely as a "fellow traveller" and was set free.

Asked why the Americans did not bring Quandt before the War Crimes Tribunal, Ferencz, was evasive: Quandt was lucky, he was "at the right place at the right time" and evaded justice.

The Quandts' biographer, Rüdiger Jungbluth (*The Quandts: Their Silent Rise to Germany's Most Powerful Economic Dynasty*, Campus, Frankfurt 2002), questions this view. "On July 18 1946 he was arrested on the orders of the US military government and interned for one and a half years in Camp Moosberg. The Americans had him and they could have placed him before the courts." (R. Jungbluth in *Die Zeit* November 15, 2007)

Moreover, the Quandts DWM works, where forced labour was exploited under the worst conditions, was situated in Karlsruhe and thus fell inside the American zone. Also, it was American and not British troops who liberated Hanover and began investigating the concentration camps.

The real reason why Quandt was never indicted as a war criminal is that "resumption of production was soon given priority over the desire to thoroughly purge the business elite. ... From 1947 onwards the Nuremberg trials of industrialists assumed above all a symbolic character."

The industrialists Krupp and Flick, who had been condemned in Nuremberg, soon returned to their old positions at the beginning of the 1950s.

The Quandts today

After the death of Günther Quandt in 1954, the capital belonging to Quandt Holding was divided equally between the two sons Herbert and Harald (who had been adopted by Goebbels). In 1959, the Quandt family acquired a majority shareholding in the Bavarian Motor Works (BMW). It was only in their position as principal shareholders of BMW that they, like many other large German concerns, joined the "Stiftung Zwangsarbeit, Verantwortung und Wiedergutmachung" (Forced Labour, Responsibility and Recompense Foundation) and made a financial contribution in compensation.

In the film, a Danish concentration camp survivor reports how he and other survivors had asked the Quandt family in 1972 for financial support because of the damage to their health, but were coldly rejected. The Quandt family has prevented the erection of a monument to the forced labourers on the now derelict site on which KZ Stöcken had stood.

According to Forbes magazine, members of the Quandt family (Susanne Klatten and Stefan Quandt) are among the 100 richest Germans today. They benefit from shareholdings in BMW, the pharmaceutical factory Altana, smart card manufacturer Gemplus AG, the Delton group, the Datacard Group, Varta and IWKA AG, Heel GmbH, which manufactures homeopathic remedies, and Thiel Media GmbH.

Behind their mask of discretion and reclusiveness the family also pulls many political strings. A Wikipedia entry approved by the Quandt family notes that since 2002 they have donated about €1.5 million to various political parties. The largest donations went to the Christian Democratic Union (CDU), and a smaller share to its Bavarian sister party the Christian Social Union (CSU) and to the liberal Free Democratic Party (FDP). If one includes donations made by BMW (approximately €1.5 million) and

Altana (approximately ≤ 1.1 million), then the family ranks among the biggest single donors to these parties.

No wonder that they were gladly received as guests at a recent gala event by the Hesse state premier and right wing CDU politician Roland Koch. Several times, the film shows clips of this gala at which Koch pays his respects to his financial backers. *The Silence of the Quandts* is highly recommended. It vividly portrays the continuity between layers of the current German economic elite and the period of National Socialist dictatorship.



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