Review Essay

Krupp: Deutsche Legende und globales Unternehmen. *By Harold James*. Munich: C. H. Beck, 2011. 344 pp. Cloth, €19.95. ISBN: 978-3-406-62414-8. Published in English as Krupp: A History of the Legendary German Firm. Princeton: Princeton University Press, 2012. 360 pp. Cloth, $35.00. ISBN: 978-0-691-15340-7.

Friedrich Alfred Krupp: Ein Unternehmer im Kaiserreich [Friedrich Alfred Krupp: An Entrepreneur during the German Empire]. *Edited by Michael Epkenhans and Ralf Stremmel*. Munich: C. H. Beck, 2010. 361 pp. Illustrations, appendix, bibliography, notes, index. Cloth, €29.95. ISBN: 978-3-406-60670-0.

Reviewed by Kim Priemel

ThyssenKrupp, which was created in 1999 when the two most famous German steelmaking firms merged, possesses a rich history. Although Thyssen was the larger company and claimed the first place in the compound name, it is Krupp that won symbolic leadership. In 2010, the corporate headquarters were moved from Düsseldorf to Essen, the historical site of Krupp's rise, and the Alfried Krupp von Bohlen und Halbach Foundation now is the single largest shareholder in the company, with reconsolidated shares of slightly over 25 percent, allowing the foundation to exercise an effective veto in all strategic decisions.

To say that Krupp has attracted much interest from journalists, economists, and historians would be a gross understatement. A complete bibliography would easily include hundreds of entries, and more than a dozen books have been published over the last ten years. An expensive, if disappointing, miniseries was aired on German television in 2009. In short, Krupp still sells—books as much as steel. This, however, makes it difficult for new publications to add to what we already know about the Krupp family and firm.

Two new books take up this challenge. Harold James's *Krupp: Deutsche Legende und globales Unternehmen* offers a concise overview of the company's history from its beginnings in 1811 to the present. Commissioned by the Krupp Foundation for the firm's 200th anniversary (and therefore first published in German), James's book is an example of the new culture of German jubilee publications that tries to move beyond the discredited genre of hagiographic and distorting *Festschriften*. While sufficiently celebratory to please the company—the iconic, legendary quality of Krupp is invoked not only in the title but throughout the book—James's account does not gloss over the dark

Business History Review 86 (Autumn 2012): 569–574. doi:10.1017/S0007680512000839
© 2012 The President and Fellows of Harvard College. ISSN 0007-6805; 2044-768X (Web).

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press

aspects of the story, at least, not those everyone will be looking for (i.e., the Nazi era).

Structured conventionally by the generations of the Krupp family, the study begins with the inauspicious origins of the giant steelmaker in founder Friedrich Krupp. The offspring of a wealthy burgher dynasty in the borough of Essen was a visionary with an unfailing belief in the future of steelmaking. However, he was also a "total entrepreneurial failure" (p. 27) who lost all of his own (and much of his family's) fortune experimenting with innovative, yet imperfect technologies. Upon his early death in 1826, he left a steel factory, a small number of trained workers, and a few customers, but not much else to his wife Therese and firstborn son Alfred. Thanks to Therese's determined effort, the company survived the death of its founder, and young Alfred soon assumed control, first jointly with his brothers, then later alone, becoming the "true" founder of what we know today as Krupp.

Improving on his father's achievements, Alfred managed to produce steel that became known as among the best quality in Europe. Alfred appreciated the potential of the imminent "age of steel" (p. 66) and proved to be a skilled marketer of his products. Employing modern public relations techniques such as corporate insignia, fairs, and exhibitions, Krupp made his steel a recognizable international brand. The decision to take up armaments production was as much a means as it was an end: military demand was a stable source of revenue, but it was also a key to securing government contracts for civilian jobs such as railway construction.

Providing the equipment with which the Prussian wars were won established a firm link between the "house of Krupp" and the ruling Hohenzollerns, which benefited the company—especially since relations with the army and navy procurement offices were not always smooth. Krupp was not exactly a cheap producer, and the military distrusted his exports of armaments to other countries. The oft-quoted nickname of "cannon king"—that overused "cliché of Krupp" (p. 183; the English version, p. 172, reads "popular image" rather than "cliché")—which was shared by Alfred Krupp and his only son Friedrich Alfred, was part of the company's self-stylization as both the quality supplier of high technology products and a pillar on which German unification was built. It would come back to haunt the Krupps when critical voices refashioned the epithet into the "merchants of death" at the turn of the century.

By that time, the company's leadership had passed to Friedrich Alfred Krupp, despite his father's misgivings about his frail and soft-spoken son. Alfred, for all his success, had become something of a liability in his later years, directing his business (including his employees) autocratically and inflexibly. His heir, by contrast, combined his own

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press

claim to authority with more open-mindedness to managerial decision-making. He appreciated the trends of horizontal and vertical integration, adding mines, shipyards, and furnaces to the company. His tenure at the helm, though, was short. Amidst public scandal over alleged orgies in southern Italy (known as the Capri crisis), Friedrich Alfred died in 1902, leaving the firm once more in the hands of a widow, Margarethe Krupp.

At this point in the story, readers may wish to turn to another recent addition to the Krupp canon, a collection of essays on Friedrich Alfred Krupp (plus statistical data and archival documents), edited by military historian Michael Epkenhans and Krupp archivist Ralf Stremmel. Seven articles discuss the life and times of Friedrich Alfred, shedding new light on the frequently sidelined heir and, in a welcome chapter, on his wife. Stremmel's contribution maps the businessman's performance, arguing convincingly that the expansion and overall success of the concern at the turn of the century can be credited to Friedrich Alfred who, despite his preference for "harmonious cooperation" (p. 33), left his directors in no doubt as to who was in charge. Stremmel characterizes the heir as an "active-passive entrepreneur" (p. 44) who did not pursue a visionary concept but was in full charge of strategic decision-making. Friedrich Alfred adhered to three key tenets: the continuation of the family inheritance, his personal autonomy, and the conduct of business as a form of national duty to the empire and German society. Epkenhans's chapter discusses Krupp's relations with the Prussian state and the Kaiser, which were characterized by a "basically feudal" (p. 81) notion of business as service to the sovereign, with duties and obligations on both sides.

In effect, Krupp had a special, if anachronistic, relation with the Court. Neither the public service nor the media granted Krupp special status, however, as he painfully learned during the Capri crisis. Dieter Richter's chapter shows this incident to have been an almost completely fabricated scandal, fed by local Italian feuds, hypocrisy, and the rhetoric of class antagonism. That the industrialist had been a frequent patron of the arts and sponsor of municipal projects both at home and in Italy—a theme also explored in a chapter on Friedrich Alfred's patronage by Stephen Pielhoff and in Heinz-Dieter Franke's contribution on Krupp's passion for the sciences—did not help him.

After Krupp's death, his widow, Margarethe, headed the firm until their elder daughter, Bertha, came of age. Margarethe successfully steered the company through the troubled waters of scandals and public debate, as Angelika Schaser demonstrates. Acutely aware of the significance of corporate identity and history, Margarethe also engaged in major welfare projects and initiated the establishment of the corporate

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press

archives. Her own autobiographical notes left a strong imprint on the firm's chronicles, thereby continuing her father-in-law's self-historicizing example. Schaser's chapter is as much an intense study of how the industrialist's wife devoted "her life completely to the family project Krupp" (p. 181) as it is a metahistory of the many biographical narratives about the Krupp family.

Margarethe's role in managing the transition to the next generation also features prominently in James's book. When Bertha Krupp married diplomat Gustav von Bohlen und Halbach, the husband was granted the unusual privilege of adding "Krupp" to his name by the Kaiser, thus continuing the dynasty. James aptly titles one of his two chapters on Gustav's aegis "Tradition," as indeed, it was the heir-in-law's main goal to preserve the Krupp legacy. When the giant trust Vereinigte Stahlwerke came into existence in 1926 through the merger of several of Germany's biggest steel companies, including Thyssen, Gustav Krupp opted out of the deal, against his directors' express advice. Instead, Gustav relied on his connections in Berlin to obtain the credit that allowed the company to survive the Depression without relinquishing name or independence. According to James—who, overall, judges the terms of both Friedrich Alfred and Gustav more positively than either Lothar Gall or the late Klaus Tenfelde—this experience reaffirmed the traditional Krupp focus on a broad range of quality steel products rather than mass production.

James devotes a long chapter to the Third Reich. He does not ignore the ease with which the concern aligned itself with the new regime or the utter lack of resistance among its top personnel. Nor does he omit the extensive, "vile" (p. 231) use of forced labor and concentration camp inmates in Krupp's factories and pits. His conclusion, that Krupp managers tossed out all scruples but were not exceptional in doing so, is certainly correct. However, some of James's language in portraying Krupp's policies in Nazi Germany carry, if unwittingly, an exculpating tone, for example, when he asserts that Krupp was "one of many companies which were ensnared (*eingebunden*) in a web of ideologically camouflaged immorality" (p. 231; the English version, p. 225, speaks somewhat differently of Krupp as a "participant in a massive web of ideologically driven immorality," but employs the same metaphor of entanglement). This impression of victimhood is reinforced by the reference to Gustav's alleged "brave steadfastness" (*wackere Standhaftigkeit*, p. 203; "quite bravely" in the English volume, p. 194) for getting rid of a mid-level manager who had denounced several leading directors in 1933. As it was, the only Jew among them lost his job anyway. Alfried Krupp's early (1931) sponsoring membership in the SS, which he was not at all pressured to join, is made light of as an act of little significance.

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press

Alfried, eldest son of Gustav and Bertha and sole heir, was not only the head of the firm during the final years of the Third Reich, but also figures in the last chapter on Krupp's comeback during the Federal Republic, which James finds to have been a characteristic blend of tradition and modernization. Together with his plenipotentiary Berthold Beitz—in many respects the true hero of James's postwar analysis—Alfried managed to circumvent the Allies' industrial deconcentration policy. Krupp reestablished the firm as a major player in German steelmaking, consistently refraining from entering the mass quality market, which was left to Thyssen and others. However, financial strains increasingly limited the concern's scope of action, leading to a showdown with creditors in the 1960s, a forced restructuring, and, finally, the transformation of ownership from family to foundation after Alfried's death. Beitz's claim to preeminence was cemented by his taking the foundation's chair, which he holds to the day, at the age of ninety-nine. Together with managers like Gerhard Cromme, he is credited with the "reglobalization" of the concern's activities, its incremental reorganization (including painful closures), and the Thyssen merger, which ensured the continuation of the Krupp story. In many ways, Beitz's tenure at the Foundation is the epitome of what James perceives to be the heart of Krupp's identity: a specifically German "or perhaps European" (p. 298) response to capitalist competition, "'public interest capitalism'" (p. 298) rather than the maximization of profit as taught in American business schools.

This conclusion may be catchy but it is not borne out by James's analysis. The fact that much of Krupp's profits were reinvested into the company or that welfare provisions for Krupp workers were, for a long time, well above average, does not make it a venture in the service of the common weal. Both strategies were intended to make the firm successful. In this respect, James seems to have adopted the traditional Krupp narrative of linking the corporate history to that of the German state: what was good for Krupp was good for the country.

In the end, James's book leaves an ambivalent impression. On the one hand, for readers familiar with the studies generated by the vast Krupp research project directed by Lothar Gall in the early 2000s, there is nothing really new on offer. Admittedly, previous accounts faded out with the establishment of the Krupp Foundation and did not cover the subsequent mergers, whereas James brings the story up to date. Yet, this last section does not rely on archival sources but on press coverage only. On the other hand, James has produced a concise, highly readable and colorful narrative (with plenty of illustrations) that will attract readers outside academia. His book is thus a welcome alternative to William Manchester's notorious *The Arms of Krupp*, in print since 1968 and, despite (or because of) its many errors, by far the most popular

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press

account until now. It is to be hoped that James's book will replace Manchester's. For academic readers looking for fresh insights into Krupp's history, Epkenhans and Stremmel's volume offers interesting perspectives. Meanwhile, Thyssen strikes back: a group of researchers is set to produce several volumes on the other part of ThyssenKrupp within the next few years.

Kim C. Priemel is assistant professor of social and economic history at Humboldt University, Berlin.

https://doi.org/10.1017/S0007680512000839 Published online by Cambridge University Press