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# INTRODUCTION

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Who were the Thyssens? The research network “Die Unternehmerfamilie Thyssen im 20. Jahrhundert” (The Thyssen Family of Entrepreneurs in the Twentieth Century) took this question literally, placing it at the center of its investigation. According to the academic literature, entrepreneurial families combine two sets of strategies: an entrepreneurial one, aimed at achieving optimal market success, and a family-based one, geared toward securing succession and keeping the company in the family’s possession over the long term. As a result, the two strategies have historically given rise to a specific family and corporate culture that differs from purely managerial companies.

The research network faced the special challenge of bringing together and integrating company and family history, which had been treated as separate historical subdisciplines. After all, separating the two strands can only relate the story of the Thyssens in a reductive way. But where are the interconnections between the crisis-ridden families and the equally turbulent corporate history of Thyssen to be found, especially when they are woven into the extended timeline from the end of the nineteenth century to the 1970s? Unlike any other time in German and European history, there were rapid and radical changes of political systems between monarchy, democracy, and dictatorship, severe economic and social crises, and death and destruction resulting from two world wars. Yet there were also new beginnings and spurts of social and cultural modernization. All of this had a massive impact on the Thyssen family and its businesses, which were part of these developments and actively influenced them.

Nonetheless, the history of the Thyssens was also determined by their peculiar rhythms and ruptures, which stemmed from internal family causes and followed typical Thyssen trajectories.

## **Point of Departure: The Thyssen Legacy**

The research network decided that its overarching theme, which frames the individual projects, should be the legacy of the company’s founder August Thyssen. This approach, however, entailed something peculiar to the Thyssens, for the question of succession did not arise with the death of the patriarch, who died on Easter Sunday, 4 April 1926, at Landsberg Castle south of

Essen and Mülheim. The analysis rather needed to begin a good four decades earlier, in December 1885, with August's divorce from his wife Hedwig, née Pelzer. The circumstances of the split were rather unusual.

After the marriage, August had fully invested his wife's considerable dowry into building up his company. As the couple lived in joint property, Hedwig could claim all the assets gained during the thirteen-year marriage in the divorce proceedings, including those tied up in the business ventures. The immediate goal of the company founder was to prevent it from being broken up. To pay off his wife, he would have had to dissolve the enterprise. He therefore explored other avenues with the help of a notary. Less than a year before the divorce was finalized, the two parties to the dispute concluded an agreement on 15 January 1885, in the presence of August's brother and partner Joseph Thyssen and a legal representative of the four children, Fritz, August, Heinrich, and Hedwig, who were still minors. They agreed to resolve and stipulate all management, succession, and property matters affected by the couple's planned separation. The divorce agreement thus coincided with the settlement of August Thyssen's vast inheritance. It set the company's course of succession, but it also cast a shadow over the entire family for four decades, until the patriarch's death.<sup>1</sup>

In the simplest part of the agreement, Hedwig waived her claims in favor of a lifetime allowance. Regarding the children, however, the still-married couple agreed on a provision whose far-reaching consequences they probably couldn't foresee when the contract was signed. They transferred "all their jointly owned property to the four children from their marriage . . . for full and unrestricted ownership." In other words, it was an *inter vivos* inheritance. But the decisive factor for its implementation was that the children, who were initially treated equally, were the owners and yet massively restricted in the use of their property rights. August reserved for himself, secured by a notary public, "the exclusive power of disposition, administration and bond-free usufruct for life," so that "without his permission the children (would) not be authorized to dispose of the transferred property."<sup>2</sup>

Divorce was uncommon at the time and a fundamentally stigmatizing decision in society—even more so for a Catholic like August Thyssen. It visibly and contractually broke with the prevailing bourgeois family norm of the loving cohabitation of father, mother, and minor children in a common household. It was also the prelude to an early, decades-long succession crisis over August Thyssen's numerous enterprises, over management claims and codetermination rights, over a lot of money, and over prestige and rank in the family hierarchy, where the company's authoritarian founder claimed his place at the top. The separation of the parents was therefore the beginning of a permanent conflict that was to last for decades—a conflict in which several lines of deep division in the family intersected and mutually reinforced each



**Figure 0.1.** The children of August and Hedwig Thyssen (from left): Fritz, August Jr., Heinrich, and Hede, ca. 1883. Photo: Franz Erckens, Mülheim an der Ruhr.

other. Only before his death did August look back on his life self-critically: “Our divorce,” he confessed frankly to his former wife Hedwig, was “a terrible misfortune for our children.” The agreements from 1885 had “caused so much mischief” that he now felt “the urgent need to make up for the resulting damage.”<sup>3</sup> Forty years on, however, it was too late.

## Elements of an Entangled Family and Corporate History

One central historical element that brings together family and corporate history is, first and foremost, the notion of “wealth” (*Vermögen*), which is understandably referred to in the divorce agreement. The research network decided to follow Simone Derix, whose study conceptually unites the individual studies in many respects, and to use the source term of *fortune* as an analytical concept. Fortune comes in various forms, its composition is diverse and changes over time, and it offers the wealthy “agency”, that is the potential to act or, even more so, the power to act. If family and fortune are thought of together conceptually, there are manifold implications and consequences.<sup>4</sup>

The many companies—while certainly important—were just one part of Thyssen’s fortune. The term also includes numerous other kinds of wealth that need to be correlated: from investments in companies, corporations and holdings, funds, and monetary and fixed assets to real estate, hunting and agricultural estates, racehorses, precious jewelry, extensive collections of paintings, and other works of art. Typical of the Thyssens was how they contributed their affluence to numerous foundations, although the purpose of the endowments varied. Fortune goes beyond material goods. It also includes socially institutionalized opportunities to act, i.e., the resource known as “social capital,”<sup>5</sup> which is based on exclusive membership to a social group (e.g., nobility, family, elite schools, or clubs) and its dense network of the “best” connections. Undoubtedly, implicit prestige, the intimate knowledge of the “rules” and functioning mechanisms of the group, and institutionalized courses of action can correspond to monetary value. The same applies, for example, to the “cultural capital” of an art collection, which partly determines its value for the owner beyond that of a mere capital investment.

The juggling of different types of assets, the frequent transfers of wealth from one form of investment to another, was supposed to exemplify the lifestyle of the ultra-rich family, their management of conflicts, their conspicuous entrepreneurial activity, and their unusual financial dealings. Second, in this context, the research network became increasingly aware of the urgent need to systematically include the category of gender as a social construct in its analyses. The Thyssens’ history makes it abundantly clear that access to, transfer of, and disposal of wealth were regulated by gender in legal, social, and everyday practical terms. In this highly exclusive, ultra-rich family, the women had fundamentally different opportunities to act than the male members. This was laid out already in the upbringing of the sons and daughters and continued in the administration of allowances, alimony and settlements, dispositions, and bequests. Across the generations, only the men were able to be operationally active at the top of the various companies. As



for who would succeed as the company head and family patriarch, it was subject to negotiation according to the unwritten rules of the time. The situation could diverge, however, as in the case of Amélie Thyssen. Here, the wife was in possession of considerable stock assets after the death of her husband Fritz, which she was able to leverage with the support of advisors.

Third, the huge fortune of an ultra-rich family, dispersed according to its various forms and investments, is fundamentally under threat. It must be protected, defended, removed from the clutches of third parties, and ideally increased. It is also to be distributed among the individual members of the family—a highly complex undertaking in which by no means only the male heads of the company were involved, but the entire family network.<sup>6</sup> This aspect also merged family and corporate history and sheds light on a whole array of strategies to safeguard assets that were constantly perceived to be at risk. For example, threats included government intervention, taxation and expropriation, revolution, economic crises, and war. But there was also a need to protect against dangers caused to a certain extent within the family because of unclear inheritance provisions, divorce claims, or escalating quarrels.

These safeguarding strategies included the early global diversification of assets in the manner of an internationalization of capital, but also cam-



**Figure 0.2.** Amélie Thyssen as hunting mistress at Puchhof Castle hunting grounds, December 1954. Photographer unknown. Behind her Robert Ellscheid (right), Hans-Günther Sohl (far right). As a rule, women were not admitted to hunting parties, which served to cultivate business as well as social ties.

ouflaging them against outsiders and investing them in innocently named foundations at home and abroad, e.g., Germany and the Netherlands, and above all Switzerland. It is here that the intricate web of Thyssen foundations becomes visible. In general, they were able to fulfill a wide range of functions, especially to benefit or provide for family members, to manage assets and shareholdings, and to control holding companies, individual companies, and supervisory boards. Apart from the Thyssens, foundations are also known from the Siemens and Krupp families. However, to date, they have barely been studied historically—which is hardly surprising. Family foundations prefer to operate discreetly and tend to avoid leaving publicly accessible records. On this score, the Thyssen research group encountered remarkably favorable research conditions.

Fourth, this observation highlights the prominent role always played by the numerous trusted advisors in the Thyssens' close circle, who provided their expert knowledge to the family in the various European countries. In the words of cultural historian Thomas Macho, modernity in general was an "epoch of metastasizing consultation needs and offers," and advising was its "hallmark."<sup>7</sup> The research network encountered the social figure of the expert, all too familiar today, in the form of the Thyssens' numerous legal and financial advisors. They accompanied the individual family members through the almost permanent legal disputes within the family, be it property conflicts in the context of divorces, be it inheritances or attempted disinheritances. However, a wide network of advisors was also employed for the purpose of securing and increasing assets, even in the absence of a specific dispute. Thus, there were the art experts who assisted the Thyssens when they invested considerable sums to acquire works of art. Other advisors specialized in the intricacies of asset distribution or the various ways of accessing family assets, as practiced by the numerous Thyssen foundations. Did the Thyssens, the research network inquired, have a family-specific advising culture?

The influence, effectiveness, and impact of the consultants and advisors around the Thyssens resulted from the fact that individual personalities entered long-standing, highly personalized, sometimes even intimate positions of trust. Besides their expertise and experience, trust that had been proven over the course of a lifetime was a critical asset for their role as counselors. The research group repeatedly noted how the family through its network of closely connected advisors extended beyond the core family, related by blood and marriage. The family effectively pushed its boundaries outward, with the scope of advisor networks varying over time and political regimes, but always stretching into business, culture, and politics.

In this context, family and corporate history projects faced extremely complex consulting scenarios. The related constellations illuminate the del-

icate position of the Thyssen advisors in the decision-making processes. A consulting relationship is inherently marked by asymmetries of power. The person seeking counsel loses competence to act due to their own lack of knowledge and places him- or herself in a dependent position; for his part, an ambitious advisor can pursue his own interests. Conversely, if the advisor squanders the trust of the principal, he can lose his powerful position overnight, if with a generous payoff. The research network discovered vivid examples of both extremes.

As Derix points out, the advisors could rise to the rank of virtual Thyssen family members due to their intimate knowledge of the family's highly complex financial and private circumstances. Their familiarity with the very different legal systems of the countries of Europe and the complicated interweaving of assets, legal relationships, and personal constellations permitted them to offer financial, legal, and everyday assistance, even in the frequent intrafamily conflicts. They acted as mediators, intervening to arbitrate and negotiate workable solutions. Thus, many decisions, recommendations, and proposed resolutions to conflicts resulted from multilayered negotiation processes: between the individual advisors, between the advisors and the advised. The latter included the Thyssen women, who were especially dependent on expert counsel. Of course, in the worst case, trust could turn into dependence, proving that preserving, increasing, and safeguarding family wealth is always a precarious balancing act.

Fifth, these insights persuaded the research network that it would be inaccurate to view the Thyssens, as was long the case, as a German entrepreneurial family in the coal-iron-steel sector with deep roots in the Ruhr region.<sup>8</sup> This was not entirely wrong, as most research has focused on August Sr. and Fritz. In the end, however, the Thyssens were a family network with remarkable early global reach and international entanglements. They were moreover highly mobile, moving about Europe and the world according to economically and socially determined rhythms in both their business and private affairs. From visits to fashionable spas and seaside resorts, stays in the trendy grand hotels and sanatoriums to the hunting, horse racing, and, ball seasons—the Thyssens were an integral part of ultra-rich and aristocratic milieus in Europe and to some extent of the period's high society. The geographic network of intra- and interfamilial, but also entrepreneurial and financial, relationships expanded so rapidly that the Thyssens presented themselves as a transnational family already by the end of the nineteenth century. Thus, the choice and, if necessary, change of nationality were likewise subject to deliberate decision-making and negotiation, as was the temporary or permanent belonging to a particular region. Crossing national borders was part of the family's day-to-day experience and business activity.

## Notes

1. Here as for the following, unless otherwise stated: Derix, *Die Thyssens*, 237–39; Lesczenski, *August Thyssen*, 59, 79–84.
2. Quoted from Lesczenski, *August Thyssen*, 81f.
3. Quoted from *ibid.*, 85f.; cf. also August Thyssen to Hedwig de Neuter, 18 July 1925, in Rasch, *Briefe*, 395.
4. On this subject in detail, Derix, *Die Thyssens*, 14–28.
5. Cf. Bourdieu, *Mechanismen*, 63.
6. See Derix, *Die Thyssens*, 323–78; cf. also the results of the family history projects in detail.
7. Macho, “Einleitung,” 29.
8. Cf. Derix, *Die Thyssens*, 29–38; similarly Gehlen, *Thyssen-Bornemisza-Gruppe*, 14f.