

GLIMPSE OF HISTORY

# VOLKS- UND BERUFSZÄHLUNG



# IBM and the Holocaust

## Paving the Information Highway to Auschwitz for Power and Profit

BY MONTY MASON

*As the twenty-first century advances, Americans in growing numbers embrace unquestioningly the so-called “age of information” and the ideology of the unfettered market. Pundits and politicians never fail to claim that computers and profit prove the triumph of all things modern and the uniqueness – even the infallibility – of the “American way.” However, the World War II dealings of IBM, the iconic American corporation that pioneered computer technologies, raise the gravest questions about the use of technology – and the pursuit of profit without restraint or regulation.*

(Left) Thomas J. Watson, president of IBM.

(Below) A facsimile of the Hollerith punch card used in a 1933 Berlin population and vocational census.



**I**N 2001 EDWIN BLACK, a noted journalist and son of Polish Holocaust survivors, published *IBM and the Holocaust: The Strategic Alliance Between Nazi Germany and America's Most Powerful Corporation*. With a team of one hundred researchers and translators, Black analyzed twenty thousand documents from libraries, archives, museums, and corporate and personal collections throughout Europe. His book presented a thorough indictment.

IBM paved the information highway to Auschwitz — and all the other Nazi death camps — on which Hitler's Europe sent millions of Jewish men, women, and children to their deaths. Through early-generation computer technology — machine-generated and -tabulated punch cards, drawing on national census data in every German-occupied country — IBM and its European subsidiaries provided the informational technology for Germany to track, round up, and transport millions of Jews to their deaths.

IBM profited mightily through a collaboration with Nazi Germany that lasted from Hitler's torch-lit assumption of power in 1933 to the smoldering ashes of his "Thousand-Year Reich" twelve years later. In pursuing its business "interests," IBM evaded American law and universal ethics. All the while, IBM's hard-driving leader, Tom Watson, and his minions knew to what ends the Germans were using IBM technology.

Strangely, this cautionary tale has had little currency in the United States.

Americans, particularly Jewish Holocaust-survivor organizations, rightfully continue to pursue legal action and/or exert political pressure against European corporations that collaborated in the Holocaust for profit. Cases against Swiss banks in the 1990s, or more recently, the French train company SNCF, galvanized the American media. By contrast, few survivor groups and, tellingly, no American political figures from either party have vigorously pursued the question of IBM's collaboration.

Yet in February of this year, Edwin Black announced not only the impending June

publication of an expanded edition of *IBM and the Holocaust*, but also the fact that his new edition would draw on newly released documents that expose in more explicit detail IBM's pivotal role in the Holocaust. Black states, "The [new] documents portray with crystal clarity the personal involvement and micro-management of IBM president Thomas J. Watson in the company's co-planning and co-organizing of Hitler's campaign to destroy the Jews."

Perhaps now, finally, Black's expanded edition will compel Holocaust scholars

and political figures to begin the vigorous and long-overdue investigation of how many of America's most respected multinational corporations actually played a role in Hitler's genocide of the Jews.

### **A Need That Only the "Free Market" Could Fill**

When Hitler assumed the office of chancellor in January 1933, he and his Nazi party arrived with a clear mission: ridding Germany of its approximately

A 1934 IBM poster for Hollerith punch cards.



Hollerith's tabulation machine.



600,000 Jews. Hitler and his minions did not define Judaism in religious or cultural terms. Instead, Nazi racial theory held that assimilation, intermarriage, conversion, or even outright atheism could never change the physical “racial” essence of Jewishness.

By isolating and identifying “racial” Jews from the complex overlap of traditional religious communities and assimilated, secular, and mixed ones, the Germans could target *all Jews* for disenfranchisement, systematic plunder, and deportation. With the early conquest of much of Europe, Nazi Germany would amend its official policy to include ghettoization, forced labor — and ultimately the total annihilation of Jews throughout occupied Europe.

This mission would require monumental cross-indexing of generations of myriad records throughout Germany and, after 1939, all of Europe. This was a need that called for a high-tech product and service: the computer. While no computer in the contemporary sense

existed in 1933, one company had actually developed an integrated punch-card and card-sorting system that served as the precursor to the modern computer.

That company was IBM. IBM saw the Nazi state as an especially promising “customer,” one to which the company could offer tailor-made products and services for a handsome profit...

### **In the Beginning: Hollerith's Incredible Tabulation Machine**

In its essential form, a computer is simply an electronic device for storing and processing data, according to pre-written instructions called “the computer program.” IBM had its beginnings in the early 1880s. Herman Hollerith, a young German immigrant working at the U.S. Census Bureau, built a prototype tabulation machine that used cards with standardized perforations to indicate each citizen's gender, nationality, occupation, and other traits. Hollerith's patented machine saved the Bureau about one-third of its annual budget.

Not incidentally, Hollerith's system gained him international acclaim — and business.

Yet by the early twentieth century, technological and business competition in America forced Hollerith to license his patents overseas. Willy Heindinger, Hollerith's German licensee, founded the Deutsche Hollerith Maschinen Gesellschaft (German Hollerith Machine Corporation), or “Dehomag,” in 1910. The following year, Hollerith sold his American business to Charles Flint, a hard-charging American industrialist, who consolidated the company's international holdings into the Computing-Tabulating-Recording Company (CRT).

For leadership of this new corporate behemoth, Flint tapped Thomas J. Watson, the quintessential American businessman of the day: shrewd, driven, and utterly ruthless in his quest for profit and power. Indeed, Watson's leadership conquered new markets for CRT, for which the grateful corporation crowned Watson

chief executive officer in 1924. Upon taking his throne, Watson consolidated his far-flung computational empire under a new name: International Business Machines — IBM.

### The Case Against IBM and Its Captain of Industry

Long before Steve Jobs sought to change the world through Apple computers and Bill Gates merely sought to dominate it through Microsoft, Tom Watson unleashed the information age with IBM. Yet as Edwin Black acidly notes, the original Silicon Valley was not in northern California but in Berlin, Nazi Germany.

As Hitler's Reich escalated its oppression of Germany's Jews in the 1930s, the regime found an enthusiastic enabler in Thomas Watson and IBM. From the outset of Hitler's reign in 1933, Watson traveled to Germany to realize his company's goals. By expanding Dehomag, IBM's German subsidiary, and generating business contacts, IBM won exclusive contracts to help Hitler identify, tabulate, and racially categorize Jews and

others whom the Germans deemed "undesirable."

Watson's "investments" earned handsome returns. During the 1930s, Nazi Germany became IBM's cash cow, bested in profits solely by the company's American market. As *IBM and the Holocaust* reveals, Watson fawningly wrote of his favored market, "[The free world] must extend a sympathetic understanding to the German people and their aims under the leadership of Adolf Hitler." Hitler returned the compliment. For Watson's dedication to IBM's corporate slogan, "World peace through world trade," Nazi Germany awarded him the prestigious Order of the German Eagle medal in Berlin in 1937.

Ominously for Europe's Jews, Watson's commitment to "world trade" led him to a secret deal with Willy Heidinger, Dehomag's chief and an enthusiastic Nazi supporter. The agreement gave Dehomag exclusive power to deliver IBM technology throughout Europe, providing the computational capacity for the

\* Edwin Black, *IBM and the Holocaust*, p. 43.

destruction of all of Europe's Jews in the coming Holocaust.

IBM's dealings with the Nazis did not end with Germany's conquest of Europe. Most certainly it did not end with the unleashing of the "Final Solution," Germany's industrialized genocide of six million Jews. IBM helped make it possible.

Whether choosing prisoners for slave labor, monstrous medical experiments, or death, German overlords could depend on their prototype computers to cross-reference, categorize, tabulate, and coordinate industrialized genocide with high-tech efficiency. As *IBM and the Holocaust* painstakingly documents, every one of the Nazis' death camps had its own *Hollerith Abteilung* (Hollerith Department). Black states, "Without IBM's machinery, continuing upkeep, and service ... whether onsite or offsite, Hitler's camps could never have managed the numbers that they did."

The camps of which Black speaks include Auschwitz, Buchenwald, Dachau, Flossenbürg, Gross-Rossen, Herzongenbusch, Mathausen, Natzweiler, Neuengamme, Ravensbrück,

Thomas J. Watson (second from left), head of IBM and president of the International Chamber of Commerce, and members of the board of the ICC meet with Adolf Hitler (left) at the Reich Chancellory in Berlin, Germany, during the Ninth Congress of the ICC, July 12, 1937.





The German Eagle medal.

Sachsenhausen, and Statthoff. Indeed, the infamous numbers tattooed onto each camp inmate originally corresponded to his or her assigned Hollerith punch card.

### A Strange Silence In the Face of Evil

Reviewers of Edwin Black's devastating indictment seem strangely uneasy with the moral implications of his evidence. Richard Bernstein's *New York Times* 2001 article on IBM and the Holocaust summed up the attitudes of the book's reviewers in the mainstream media at that time. He conceded that Black thoroughly documented his case. But Bernstein concluded that IBM did not engage in any "unique" form of evil, and that in any case Watson acted out of a misguided focus on profit and IBM's market dominance in Europe no matter the cost in lives, especially Jewish lives.

This seems a questionable, if not obtuse, conclusion.

Obviously, IBM's collaboration in genocide throws into doubt the distinctly American notion — and certainly the overly influential cult philosopher Ayn Rand's most fervently held tenet — that the unfettered and unregulated market leads to the best of all possible worlds. Yet Watson's lack of concern about whether Europe would emerge from the war liberated or as part of a triumphant genocidal Thousand-Year Reich evokes something far more malevolent in him than mere greed and the will to power. It suggests that a persistent, knowing anti-Semitism fueled Watson's ambitions, leading him to dispense with core ethics and, not incidentally, American wartime law.

One must ask whether Thomas Watson would have continued to pursue

business with the Nazi regime so single-mindedly if it had engaged in the murder of Christian men, women, and children.

In the postwar years, IBM became an iconic American corporation, one that symbolized and delivered on America's promise of high technology as the means to affluence, influence, and national primacy. Thomas Watson had by now become a much-admired American of enormous wealth, one as far from the reach of the law and the scales of justice as were Europe's Jews from rescue and restoration during the Holocaust. A powerbroker for American presidents and trustee for a number of America's most elite institutions, including Columbia University, Thomas Watson died peacefully and in comfort in 1956.

Over the years, numerous journalists have charged that a number of America's most revered corporations, and at least one father of a future American president, eagerly pursued business with the Nazis. Curiously, our most distinguished Holocaust scholars have done little sustained research in this area.

Yet the case of IBM's collaboration with evil, or that of any other American corporation, should raise disturbing questions beyond the realm of corporate conduct and wartime laws. After all, well into the postwar years, nearly every single institution that shaped America's business elite — from affluent neighborhoods to prestigious universities to blue-chip corporations — all openly discriminated against Jews. Tragically, even the liberal political figures seen as most sympathetic to Jews refused to accept European Jewish refugees during the 1930s, condemning tens of thousands to the Holocaust. During the war,

Roosevelt's administration pointedly refused to bomb the railways to the death camps. European Jews suffering annihilation at the hands of the Germans — a fate no European nation, not even Poland, experienced — would have to await the liberation of Europe, one country at a time.

In this light, the terrifying case of Thomas Watson and IBM putting profit and power over the lives of six million Jewish men, women, and children might not be an aberration in American history, corporate or otherwise. It might very well reflect the depth of prewar American anti-Semitism.

Of the strange silence greeting Black's groundbreaking work, one must arrive at a heartrending conclusion. We as Americans remain decidedly reluctant to explore our own woefully insufficient response to the annihilation of European Jewry even as we waged an epic war to liberate Europe. ■

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