

Weapons, capital and *Kunsthaus*. The origins of the Emil Bührle art collection in its historical context

KRIEGSGESCHÄFTE, KAPITAL UND KUNSTHAUS

Die Entstehung
der Sammlung Emil Bührle
im historischen Kontext

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ENGLISH SUMMARY. In 2021, the Kunsthaus Zurich will open its new extension on the Heimplatz. The Kunsthaus will thus become the largest art museum in Switzerland. Works from the Emil Bührle collection will be displayed prominently in this new extension. The entrepreneur, art collector and patron of the arts Emil Bührle (1890-1956) is still a very controversial figure. Thanks to his arms sales before, during and after the Second World War, Bührle became the richest man in Switzerland, and this fortune enabled him to build up a world-class art collection.

The recurring controversies surrounding the history of the Bührle Collection prompted the City and Canton of Zurich in 2017 to commission my team to realize a research report with the aim, according to the terms of the contract, to enable «a factual and transparent discussion around the creation of the Bührle Collection and the economic conditions necessary for its formation». This study, carried out under my supervision at the University of Zurich, presents Emil Bührle's parallel rise as an arms manufacturer, as a man active in multiple networks, and finally as an art collector and patron of the arts.

The study highlights the extent to which the fate of the Kunsthaus Zürich has been linked since the 1940s to Emil Bührle and his entrepreneurial and personal ambitions.

This summary provides a brief synopsis and overview of the main findings of this study, which is structured in three parts or dimensions.

- The first dimension, **Transformations**, focuses on Emil Bührle's role as head of the Oerlikon Machine Tool Factory (WO), first as a young director, then as factory owner and the richest man in Switzerland, and finally as a major entrepreneur leading an arms company of European importance.
- The second dimension, **Networks**, identifies the circles and social relations in which Emil Bührle, a newcomer to Zurich in 1924, found relays and support to negotiate his acceptance into the Zurich elite and to become the patriarch of a prominent Zurich family.
- The third dimension, **Translocations**, is devoted to the genesis of Emil Bührle's art collection. Initially a simple art lover, Bührle became, thanks to his fortune from arms exports, a leading Zurich collector at the beginning of the Second World War, and finally, in the early 1950s, a world-class art collector.

The key elements and interconnections between these three dimensions are outlined below. They are analyzed in detail in the various chapters of this study.

Schema 1 (p. 3) summarizes the three main dimensions mentioned above and presents the key elements of Bührle's meteoric social rise as an arms manufacturer and art collector. This schema constitutes thus a «roadmap» for the entire study.

- The **full study (in German)** is available **free of charge** in electronic format:
<https://buchundnetz.com/werke/kriegsgeschaefte-kapital-und-kunsthaus-ebooks/>
- A **print version** can be ordered for a fee:
<https://buchundnetz.com/werke/kriegsgeschaefte-kapital-und-kunsthaus/>
- For **media reviews as well as a complete documentation**, see:
www.fsw.uzh.ch/de/personenaz/lehrstuhlleimgruber/Forschung/Bührle.html

1. TRANSFORMATIONS – From the WO to Oerlikon-Bührle

Emil Bührle (1890-1956) was sent to Zurich in 1924 by the Magdeburg Tool and Machine Factory to reorganize the ailing Oerlikon Machine-Tool Factory (Werkzeugmaschinenfabrik Oerlikon, WO) and reorient it toward weapons production. During the next decades, Bührle would take control of the WO and transform this small company (140 workers and employees in 1923) into the largest Swiss armament firm (6000 workers and employees around 1956). Thanks to weapons exports, Bührle became the richest man in Switzerland and this war-related fortune enabled him to build up a significant art collection.

This first part focuses on the products, markets and business practices of Switzerland's most important weapons manufacturer. This prominent position put Emil Bührle and the WO at the center of controversies about Switzerland's economic and financial implications during World War II (**Chapter 1.1**). Since the Paris Peace Agreements of 1919 meant that war making production was curtailed in Germany, armaments companies used foreign locations in order to prepare the covert rearmament of the German army. Switzerland – a country which had not ratified the Paris Peace Treaties – served as a location for such offshore production. It is in this context that Emil Bührle took over the management of the WO in 1924 on behalf of the Magdeburger Werkzeug- und Maschinenfabrik and worked to develop the so-called Becker canon (**Chapter 1.2**).

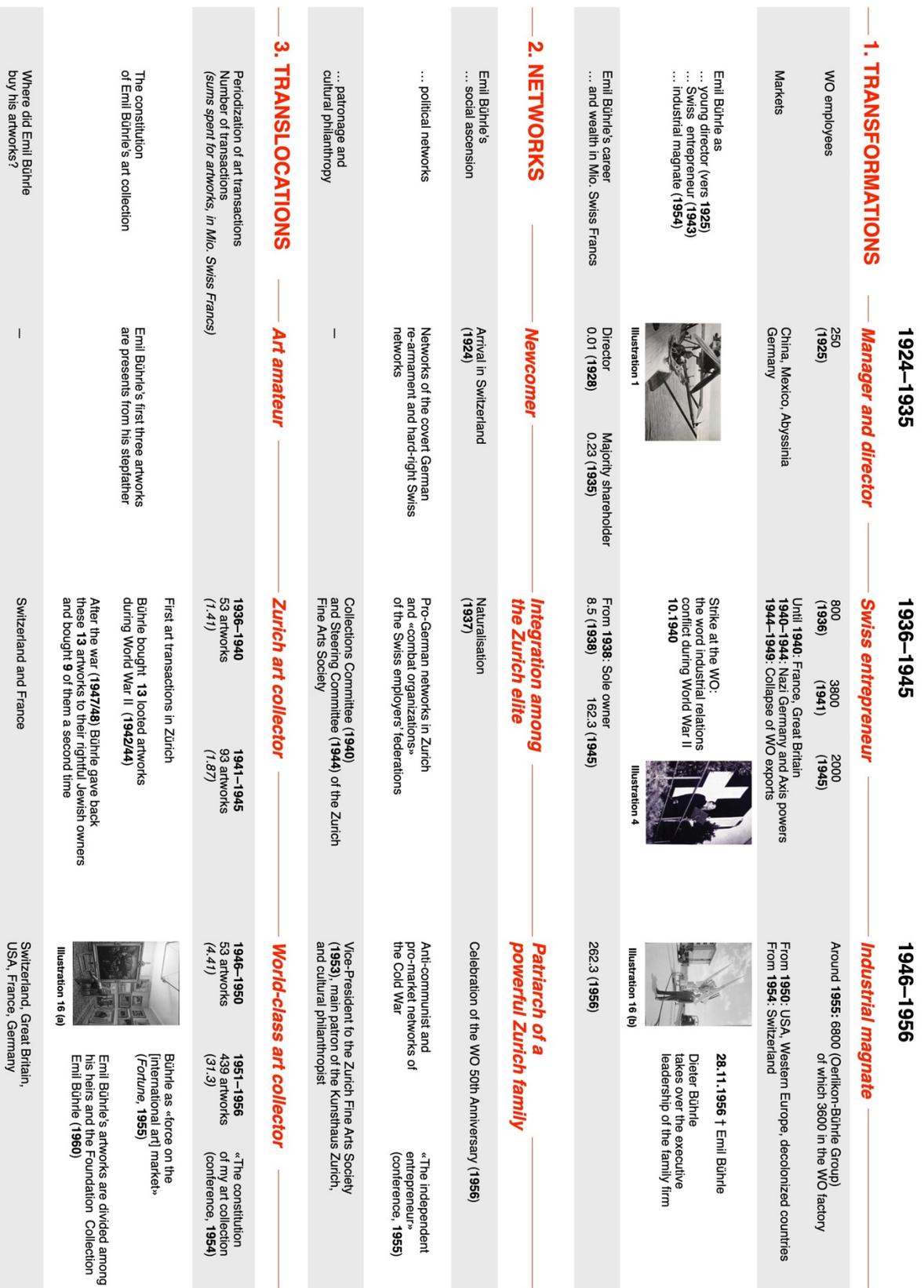
Although the WO remained closely linked to German networks, the armament firm quickly oriented itself toward non-European markets. The WO thus supplied numerous anti-aircraft guns as well as ammunition to China and Mexico. At the same time, Emil Bührle gradually disengaged his company from German ties, and, in 1929, succeeded in bringing the majority of WO shares into family ownership – with the help of his wealthy father-in-law, the Magdeburg banker Ernst Schalk. By then, the WO was a medium-sized company. In 1938, Bührle took over the entire share capital and set about turning the WO into a large company. The year before, he had acquired Swiss citizenship – not least in order to secure his long-term place as an entrepreneur in Zurich at a time when controversies about the economic influence of foreigners were rife (**Chapter 1.3**). In the context of the deteriorating situation preceding the outbreak of World War II, Emil Bührle often displayed little loyalty to his customers. He thus first sold cannons to Abyssinia (today's Ethiopia) and shortly thereafter to fascist Italy, which had invaded and waged war against Abyssinia. WO weapons were delivered at the end of the 1930s to future Allied states (notably France, Great Britain and Holland) for a sum amounting to 60 million Swiss Francs. But when Switzerland found itself surrounded by the Axis powers in the summer of 1940, the WO began to export armaments almost exclusively to Nazi Germany and its partners until shortly before the end of the war.

Between 1940 and 1944, Bührle's WO sold weapons worth approximately 540 million Swiss Francs to the Axis powers. This amount represented 70% of the total exports of the Swiss armaments industry during the war and underlined the WO dominance in this industrial branch. However, this flourishing business with Nazi Germany and the Axis powers also led the USA and Great Britain to put both the WO and Emil Bührle on blacklists. During the war years, these two Allied powers also manufactured 20-mm «Oerlikon» anti-aircraft guns on a large scale (185'000 in total). However, they refused to pay royalties to the WO as it was considered as an enemy firm. In contrast, Bührle received royalty payments of about 0.87 million Swiss Francs from the German IKARIA armaments firm, which used forced laborers during the war. From 1942 onwards, Bührle diversified the WO, for example by buying Swiss textile companies from Jewish owners eager to leave Europe and emigrate to the USA. During this period, Bührle extended his production lines to Liechtenstein, where tax and labor costs were lower than in Oerlikon. In the fall of 1940, a series of deadly accidents on the WO factory floors fueled an already tense labor situation, eventually resulting in Switzerland's largest strike during World War II. This eruption of labor unrest was quickly quelled, but from this moment onwards Bührle became a highly controversial public figure in Zurich. While he was berated by the leftwing press as a war profiteer, bourgeois commentators praised his entrepreneurial spirit and success. His exploding fortune (which rose quickly from 8 million in 1938 to 162 million Swiss Francs in 1945) made Emil Bührle the richest person in Switzerland (**Chapter 1.4**).

As soon as German defeat in the war became apparent, Bührle established contacts with the Allies so that the WO could be taken off their blacklists. After a few uncertain and profitless years, the start of the Korean War in June 1950 allowed the WO to successfully reorient itself toward the Western bloc. With the export of powder rockets to the USA (1950-1953: 150 million Swiss Francs), key procurements for the Swiss Army (1954: 100 million Swiss Francs) and smaller orders from both NATO countries and recently decolonized countries, the WO consolidated its dominant position in the Swiss armaments sector. Even if Bührle did not succeed, despite repeated efforts, in obtaining compensation from the American government for the «Oerlikon Guns» built during World War II, his numerous trips across the Atlantic at least allowed him to buy high-priced Impressionist paintings in New York galleries (**Chapter 1.5**). In the reports written about Bührle, US intelligence agencies were under no illusions about him and emphasized his pronounced opportunism: «Buehrle (...) is a typical munition king (...) a complete realist with a predilection for playing both ends against the middle.»

The WO had by then become the Oerlikon-Bührle Group, which was active throughout Western Europe in various industrial sectors, and also included the private bank IHAG and a holding company. When Emil Bührle died unexpectedly in November 1956, he left his heirs a fortune of 262 million Swiss Francs, a highly diversified group that formed the core of Switzerland's military-industrial complex, and a world-class art collection (**Chapter 1.6**). The vigorous expansion of the WO arms exports during and after World War II gave Emil Bührle the material basis to expand his art collection. The latter also played a significant role in his social ascension from the late 1930s onwards. In order to understand this development, it is necessary to examine the numerous networks in which Bührle was involved.

Schema 1. Transformations, networks and translocations. A bird's eye view



2. NETWORKS – Emil Bührle’s rise and success

Emil Bührle was an unknown German manager when he arrived in Zurich in 1924. Within less than two decades, he had become not only the richest person living in Switzerland, but also a well-known art collector, patron of the arts, and established member of Zurich’s elite. This meteoric social rise was not only based on Bührle’s vast fortune, his art collection and his cultural patronage, but also on a mixture of adaptability, pragmatism and ruthless opportunism. From his involvement in the revanchist networks of the covert German rearmament of the 1920s to his engagement in the market-friendly and anti-communist milieus of the Cold War, his worldview remained shaped by wartime contexts.

The image of the «outsider» is still often used today to describe Emil Bührle. However, in view of his many contacts and considerable patronage for cultural institutions, this falls short of the mark. On the one hand, some people still regard Bührle as a man of the far right whose art collection merely served to make him look like an art-loving citizen. In the eyes of US intelligence services, on the other hand, the «Swiss Armament King» appeared during the Cold War as a «man of very few principles». All these attributions are remarkable in that Bührle himself left hardly any autobiographical material. For most of his life, the entrepreneur kept to himself and spoke little to the press and other media. These numerous gaps in his biography also explain why Bührle is still suitable today for personalizing and thus trivializing complex historical processes (**Chapter 2.1**).

In this part, we follow Bührle’s disparate (auto)biographical traces. These traces sketch the profile of a weapons industrialist who had been shaped by his war experience in World War I, by, as Bührle himself emphasized in 1954, his participation in the «repression against communist uprisings» in 1918/19, and by the conservative thinking of Oswald Spengler. Emil Bührle’s worldview was imbued with a cynical view of society. Although deeply suspicious of state intervention and taxation, he did not hesitate to take advantage of government support; whether in the form of clearing loans during World War II or government contracts for the Swiss army. Bührle also controlled his company and his employees with a combination of modern corporate welfare and traditional lord-of-the-house principles. Bührle cannot be cleared of anti-Semitism, even though the documents consulted so far contain only one incriminating correspondence (**Chapter 2.2**).

Emil Bührle never severed his original ties with Germany. As a result, he also had no trouble integrating himself into the revanchist and militarist networks of Germany’s covert rearmament and its offshoots in Swiss right-wing conservative circles (**Chapter 2.3**). Accordingly, the WO also employed German cadres and weapons engineers before, during, and after World War II. Shortly before his death, Bührle had teamed up with the Flick Group (whose owner had been convicted for his involvement in the Nazi war) to acquire Dynamit-Nobel, a major German explosives manufacturer.

At the same time, Bührle kept a certain «safe distance» from politics until the late 1940s. However, when it came to asserting his interests, Bührle was able to forge economic-political alliances on a selective basis. For example, Bührle used the expansion of his company, which since the late 1930s had provided work for numerous subcontractors, to establish himself in industrial circles that initially accepted him only reluctantly. Likewise, during this period, Bührle participated in the development of two companies (Contraves and aircraft manufacturer Pilatus) with which he tried to profit from the modernization of the Swiss Air Force. After his naturalization in 1937, Bührle mobilized his fortune and his first art purchases to gain access to select circles. As the owner of one of Zurich’s largest industrial companies, he was invited to join the committee of the Employers’ Association of Swiss Machinery and Metal Industrialists (ASM) as early as June 1939. At the same time, his exploding fortune aroused the interest of the financial center (**Chapter 2.4**). This intensification of relations between Emil Bührle and the Zurich banking center not only contributed to the development and expansion of the WO, but also opened up new opportunities for him on the cultural stage.

In June 1940, as he had just begun to redirect his arms exports toward Nazi Germany, Bührle was admitted to the collections committee of the Zurich Society of Fine Arts (Zürcher Kunstgesellschaft, ZKG). There, he met a pro-German financial elite that was interested in supporting the very rich weapons industrialist in order to benefit from his patronage for the further development of the Kunsthau Zürich. The president of the ZKG, the financier, art collector, and scion of the «Old Zurich» Franz Meyer-Stünzi (Bank Leu), welcomed the newcomer Bührle with open arms: Bührle’s nascent art collection and his first 2 million Swiss Francs donation for the Kunsthau extension were seen as a godsend for the Zurich cultural center. Bührle and Meyer-Stünzi not only worked together to expand the Kunsthau and transform it into a museum with national appeal, they also shared political views and business interests. Bührle thus stood firmly by Meyer-Stünzi even when the latter came under fire in 1946 during the scandal surrounding the «Eingabe der 200» (a November 1940 petition to the Swiss Federal Council demanding that media critical of Germany be muzzled). The industrialist also invited Meyer-Stünzi to join the board of directors of his private bank IHAG in 1949. Between 1943 and 1951, the ZKG president finally sat on the board of the *Handelszeitung*, a Zurich financial newspaper that was one of Bührle’s biggest supporters and was in turn financially supported by him.

Although Bührle remained a much-criticized figure in the leftwing press, the Social Democratic city authorities welcomed his patronage for cultural institutions. Emil Bührle developed an intensive promotion of culture in the context of the so-called «National Spiritual Defense», especially through the establishment of two foundations: the Emil Bührle Foundation for Swiss Literature (1943) and the Goethe Foundation for the Arts and Science (1944). Despite this diversification, the Kunsthau Zürich remained at the center of his fundraising activities. Years before the Kunsthau extension, which he had integrally financed, opened in 1958, the weapons manufacturer’s trajectory and the destiny of Zurich’s leading cultural

institution had become closely intertwined. The industrialist and the museum entered into a bond whose impact can be felt today and will continue to be significant in the future (**Chapter 2.5**).

While voices estimating that Bührle was «unassimilable» could still be heard during his naturalization process, and the industrialist was still met with suspicion or even rejection during World War II, his public profile improved markedly when the postwar Switzerland political, economic, and cultural space was restructured under the impact of the Cold War. By the early 1950s, Emil Bührle was a recognized and respected member of Zurich's elite. This integration is evident, for example, in the two lectures Bührle gave at the invitation of the Swiss Institute for Foreign Research (1954: The constitution of my art collection/Vom Werden meiner Sammlung) and the Zurich Economic Society (1955: The independent entrepreneur/Der selbstständige Unternehmer). In the context of the emerging Cold War, Emil Bührle did not hesitate to present himself as a committed entrepreneur who stood on the «front line» defending the West and fighting for the free market economy. The numerous contacts that Bührle was able to establish in the USA as early as 1947 underlined his ability to seize all opportunities that opened up to him. Within a few months, Bührle successfully transitioned from the Allied blacklists to the American society pages and integrated himself smoothly into the milieu working to contain communism. His daughter Hortense thus spent the summer of 1948 in New York with the family of US General William J. Donovan, founder of the CIA. Frequent business trips across the Atlantic to meet with business partners or high officials also enabled the industrialist to frequent assiduously the London and New York art markets (**Chapter 2.6**).

On the occasion of the WO 50th anniversary celebration in October 1956, Emil Bührle gathered around him top representatives of the machine industry, Zurich politicians, and the Swiss army. When he died a few weeks after this celebration, the Zurich financial paper *Handelszeitung* published an emphatic and laudatory tribute to the man,

«[who] (...) aspired to that development which was to enable him to achieve an almost fabulous rise, in any case unusual for our country.»

The weapons industrialist had prepared his children for his succession. His son Dieter took the reins in the family business, while his daughter Hortense ensured continuity in her father's cultural and artistic patronage projects. This generational change points to the continuing development of this influential Zurich family (**Chapter 2.7**).

3. TRANSLOCATIONS – The emergence of the Bührle Collection

From 1936 until his death in 1956, Emil Bührle spent approximately 39 million Swiss Francs (about 300 million Swiss Francs adjusted for inflation) to acquire more than 600 artworks. This art collection was made possible by the immense wealth that the industrialist had accumulated through arms exports before, during and after World War II. This collecting activity was an integral part of his social advancement and, in particular, of his strategy of integration into the Zurich Society of Fine Arts. After World War II, Bührle had to return 13 paintings identified as looted art to their Jewish owners. During the 1950s, Bührle bought over 450 works of art on the Swiss and international art markets, making him one of the most respected collectors of his time. In 1960, his heirs bequeathed some 200 of these artworks to the Foundation Emil Bührle Collection. This collection, whose current value is estimated to 2-3 billion Swiss Francs, will be one of the highlights of the new Kunsthau Zürich, which is scheduled to open in 2021.

Since 1990, Emil Bührle's art collection and its genesis have repeatedly been in the spotlight. If the first decade of Bührle's collecting activity before and during World War II has attracted the most attention, we contextualize in this research report its full scope and especially its impressive expansion during the first decade of the Cold War. This long-term perspective allows us to go beyond traditional provenance research and follow Emil Bührle in the various art markets in which he was active (**Chapter 3.1**).

Emil Bührle's father-in-law Ernst Schalk not only provided the young director with the financial means to take over the WO, but also gave him his first three paintings after his marriage. However, it was not until 1936 that Bührle began to buy art seriously, when he earned his first million thanks to the expansion of the WO arms exports. At that time, the European art market was affected by both the economic crisis and the early cultural expropriations and racial persecutions of the Nazi regime. This turbulent context provided numerous buying opportunities for a budding art collector with almost exponentially growing financial means.

Already at the beginning of World War II, his first art purchases (53 artworks between 1936-1940) enabled Bührle to join the collection committee of the Zürcher Society of Fine Arts (ZKG). At the very time when the WO was gearing its production towards the Axis powers, the arms industrialist commissioned a German sculptress (Annie Höfken-Hempel), who entertained excellent contacts with Nazi notables, to make a bust of him. During the German occupation, Bührle also made his first 16 purchases on the Paris art market, where Jewish gallery owners and collectors were being dispossessed of their artworks. Of the 93 works of art that the industrialist bought between 1941-1945, 13 were considered looted art after the war. Emil Bührle, who had not hesitated to take advantage of the opportunities arising from these extraordinary wartime circumstances, was subsequently confronted with several restitution processes (**Chapter 3.2**).

Emil Bührle's actions on the art market are reminiscent of his opportunism and adaptability on the armaments market. Bührle remained Bührle, regardless of whether he was dealing in anti-aircraft guns or precious artworks. Thus, the

industrialist also knew how to mobilize his networks on the art market, get involved with sometimes questionable intermediaries, and use his abundant capital for his own purposes. These art purchases ultimately left less tangible traces than the WO's activities. Nevertheless, the traces that remain illustrate the opaqueness characterizing both the art and arms markets, with their numerous gray areas and entanglements; dimensions which became even more intense during wartime.

By 1951, Bührle had returned 13 looted artworks to their rightful Jewish owners and succeeded in acquiring 9 of them a second time. Among these reacquired and thus «cleansed» artworks, we find, for example, the first 3 paintings that Bührle bought in New York in the summer of 1948, when he was lobbying the US government in order to export his WO powder rockets. The French gallerist who sold him these works, Paul Rosenberg, had fled Paris in 1940, as had his renowned colleagues Germain Seligman and Georges Wildenstein. These respected gallery owners became important protagonists in the rapidly expanding New York art market and counted Bührle among their loyal customers. Emil Bührle, thus, benefited not only from the opportunities that resulted from the liquidation and expropriation of Jewish collections before and during World War II, but also, in the postwar period, from the reorganization of the international art market which was partly a result of these persecutions. In fact, 9 of the 14 major galleries from which Bührle acquired most of his artworks in Zurich, London, Paris, and New York were owned by Jews who had fled Nazi Germany, Austria, or occupied Western Europe.

If Bührle was already recognized around 1940 by local insiders and by the ZKG as a key figure for the Kunsthau Zürich, he expanded his art collection by leaps and bounds after World War II. From 1936 to 1946, Bührle had acquired some 150 artworks for a sum of around 3 million Swiss francs. In the following decade, he expanded his collection with over 450 works for a total of 36 million Swiss francs. Bührle's import of high value works of art was so intensive that he even tried to press the Federal Council to have the import taxation of cultural goods changed to his advantage. From 1953 onwards, Bührle chaired the ZKG's Collections Commission and was Vice president of the ZKG board. He also assumed the entire cost (over 6 million Swiss francs) of the Kunsthau extension, construction of which began in 1954. A year before his death, in 1955, the US magazine *Fortune* praised Bührle as a «force on the [art] market». Echoing the rise of the Oerlikon-Bührle Group, Bührle's art collection had gained international recognition (**Chapter 3.3**).

During the 1950s, for Bührle, as for most contemporary commentators, the successes of his arms company and his art collection represented two facets of the same «creative intuition». This public perception was, in a sense, the visible and carefully orchestrated side of the multiple connections between Emil Bührle's armaments business and his art transactions, the less polished and publicly known side of which we analyze in detail in this report. Emil Bührle died two years before the ceremonial inauguration of the Kunsthau extension, which opened in July 1958 with an exhibition of masterpieces from his collection. Two years later, in 1960, Bührle's heirs bequeathed 200 of his artworks to the Foundation Emil Bührle Collection. The rest of the artworks remained in family ownership, and the Foundation works were exhibited in a private museum on the Zollikerstrasse (millionaires' row in Zurich).

While the Oerlikon-Bührle Group – which has met difficult times since the end of the Cold War – was in the process of being dispersed, Emil Bührle's art collection has made a remarkable return to the public eye in recent decades. This publicity ultimately contributes to an «economy of enrichment» benefiting Bührle's heirs, the Kunsthau, and the City of Zurich. In 2021, the 200 prestigious works of the Foundation Emil Bührle Collection will move into the new Kunsthau building, making Zurich an international site for Impressionism. Since the 1940s, this museum is an institution whose fate has been inextricably and profoundly linked to Emil Bührle's collecting activities and patronage, as well as his personal ambitions (**Chapter 3.4**).