



The past in focus

The German-German history of Carl Zeiss

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About the book

Addressing the 150th anniversary of Carl Zeiss on November 19, 1996, Helmut Kohl stated that "Carl Zeiss represents all the problems, but also the opportunities associated with German reunification."

The partition of Germany created two new companies out of the one, world-famous Zeiss-Works in Jena: the state-owned enterprise in Jena, East Germany; and Carl Zeiss West Germany in Oberkochen. What followed was anything but a peaceful coexistence. The two, competing firms fought many court battles over the rights to the prestigious name and trademark.

Following the confrontation, the two "adversaries" coexisted. The reunification that came next was no less painful than the initial separation. The western company assumed control of the core business of optics. "If we can't do it," explained Zeiss' President and CEO Jobst Herrmann in 1992, "then no one can." His optimism, as with Helmut Kohl's "blooming landscape" in eastern Germany, was premature. The company spiraled into the most difficult crisis it had ever faced: existence. Reorganization demanded massive job-cuts in both the east and west. Solidarity between the two brothers in Jena and Oberkochen was tested as never before.

Armin Hermann's book *And Still Brothers - the German-German History of Carl Zeiss* is not a Carl Zeiss publication, nor is it that of an employee. It is one historian's account of one of the most famous companies in the world. Its contents are solely the conclusion of the author, and his knowledge in science and technology.

As our customers have requested, we are proud to present information about our past online. Prof. Hermann was generous enough to summarize the most important points of his book for us, and allow us to present them to you on our website.

This article can also be found in DAMALS, [→ www.damals.de](http://www.damals.de), the magazine for culture and history.

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Piper 3821, Munich 2002, €9.90).

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The author Prof. Dr. Armin Hermann
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The Author

Armin Hermann was born in Vernon, British Columbia in 1933. He was a professor for history of natural science and technology at the University of Stuttgart for 33 years. He is famous for his ambitious literary works, particularly biographies of physicists (Planck, Heisenberg, Einstein). He is also well-known for his monographs on science and society (Weltreich der Physik, Wie die Wissenschaft ihre Unschuld verlor, Die Jahrhundertwissenschaft, Die neue Physik).

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The past in focus

Introduction

The Division and Reunification of Carl Zeiss

Company History – A Mirror of Political History

The former capitol, Berlin, suffered most from the division of Germany. It was not only a wound that could not heal, but also a daily reminder of the unnaturalness of the separation. What Berlin was among cities, Carl Zeiss was among companies.

Two companies emerged from the ashes of the one, world-famous enterprise; two businesses that bitterly fought each other on the world market and in the courtroom during the Cold War. In 1954, German President Heuss declared that "there are very few establishments known to the world that so clearly represent Germany's destiny, as does this Zeiss plant."



The Carl Zeiss, Jena logo after 1909



German President Theodor Heuss, 1954

[enlarge](#)



Crates with confiscated devices and drawings in front of the Volkshaus in Jena, June 1945

[enlarge](#)

Many phases mark the relationship between the Federal Republic of Germany and the German Democratic Republic (DDR). Accordingly, the relationships between the two Zeiss enterprises in the east and west developed similarly: from [cooperation](#) to [confrontation](#) to [coexistence](#) and finally to [reunification](#).

The story began when the 3rd American Army conquered Thuringia in eastern Germany. Scientists and engineers followed the troops. They were tasked with turning German know-how into something useful for the United States and Great Britain. With war still raging in the Pacific, the allies anticipated heavy allied casualties during the invasion of Japan.

For their aerial reconnaissance missions, the Americans desperately needed the high-quality optical instruments from the Zeiss Works in Jena. 125 leading managers, scientists and engineers (84 from Zeiss and 41 from Zeiss partner Glaswerk Schott & Genossen) were sent from the university and industrial city in Thuringia to Heidenheim in the American occupied zone.

The city in eastern Wuerttemberg was overfilled with refugees and instead of the promised housing, the Zeiss staff was given only a room to sub-let. The forced inactivity was even worse. On August 6, 1945, the city of Hiroshima witnessed the destructive power of the atomic bomb. Three days later, on Aug. 9, the destruction of Nagasaki forced Japan to surrender. The Americans no longer needed the German optical experts.

Microscopes, loupes (magnifiers), eyeglass lenses and objective lenses were, however, of vital importance to the civilian and medical sectors. The

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Oberkochen 1946

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Zeiss staff had to wait almost a year for permission to begin production. They built their new facilities in neighboring Oberkochen on the grounds of an empty weapons factory that had been constructed during the war. The new company was officially founded on October 4, 1946. It was on this day that a lawyer and three additional employees signed the articles of incorporation and bylaws in front of a notary in Heidenheim. The new "Opton Optische Werke Oberkochen" was now in business. Capital stock for the new company was one million Reichsmark. The Carl Zeiss Foundation Jena assumed 950,000. Without the approval of Carl Zeiss Jena, it would not have been impossible to found the enterprise.

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The past in focus

Cooperation



Zeiss-Opton logo after 1950

When the Soviet occupying force disassembled the main factory at the end of October 1946, the management in Jena declared that from now on "Opton would be responsible for all important decisions for the entire Zeiss works." With the approval of Zeiss Jena, the factory in Oberkochen changed its name to Zeiss-Opton. According to an agreement between the two management boards, Oberkochen was to be the center for research and development, and also to accept and employ refugees from Jena.



DDR President Wilhelm Pieck at the Zeiss works; right top executive Dr. Hugo Schrader, 1949
[enlarge](#)

Against heavy resistance from the Board of Management and employees, the communist ideologues enforced the nationalization of the Zeiss Works and the Glass Works in Jena. As a result, the company lost its unique character as a foundation. Physicist and philanthropist Ernst Abbe founded the Carl-Zeiss Foundation in 1889. He succeeded in transferring all property rights from the two companies to the foundation. Similar to a country's constitution, the Foundations bylaws governed the rights and responsibilities of all employees. From that time on, Abbe was honored as a saint by many Zeiss employees.



Ernst Abbe, 1888
[enlarge](#)

The Chairman of the Works Committee in Oberkochen was convinced that Ernst Abbe's legacy would survive the nationalization in Jena. "If they take away his home in Jena, then we'll give him a new one here."



Carl Zeiss logo from 1953

The company in Oberkochen now saw itself as the guardian of the tradition. To prevent the Foundation from going under and to protect its character, the company, with help from the Wuertemberg-Baden Ministry of Culture, transferred its domicile from Jena to Oberkochen. The company in Oberkochen now went by the name "Carl Zeiss" (without the additional "Opton").

As before, employees in the east and west still considered themselves as one, and they, as well as the management, continued to work together. The "western orientation" at the state-owned enterprise in Jena was a thorn in the side to officials. Spies and saboteurs infiltrated Carl Zeiss. On March 21, 1953, the state security service (Stasi) arrested 15 employees in Jena and an additional four in East Berlin. From this point on, it was clear that cooperating with the "enemy" in Oberkochen would be treated as a crime. Zeiss employees were sentenced up to eight years for misconduct. One employee lost his life (still today under unknown

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circumstances). One died during his detainment.

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The past in focus

Confrontation



Logo 1954

The first notable confrontation occurred on March 23, 1954 in Cairo. With a massive organizational and propagandistic effort, the DDR staged its first industrial exposition in a non-communist country. Located in the main Pavilion, the state-owned enterprise from Jena presented "German high-class workmanship" using the Carl Zeiss name and the traditional trademark.

Carl Zeiss Oberkochen obtained a court order from the jurisdictional court in Cairo for the confiscation of these goods. The exposition management ignored this order and no action was taken. Soon thereafter, the corporate attorney flew to Cairo where a power struggle had broken out between General Nagib and revolting officers. The attorney found a open ear with the revolutionary committee: "The next day, the court order was re-executed – this time accompanied by a military commando. There was a physical altercation. Our attorney fell down the stairs and broke his arm. But the executive power succeeded. The pavilion was closed."

One month after the events in Cairo, the "Carl Zeiss Foundation Jena, represented by the District Council of Gera" filed suit in a district court in Stuttgart against the Board of Management and the company in Oberkochen. The defendants were to refrain from using the Carl Zeiss name and all registered trademarks associated with the name.

According to western legal interpretation, the "Carl Zeiss Foundation" in Jena no longer existed. As a result of the expropriation of the company's operations in Jena, it no longer existed, or was unable to function. Its domicile was therefore transferred from Jena to Heidenheim. The court in Stuttgart dismissed the suit, not only as "unsubstantiated", but more importantly as "inadmissible". The plaintiffs then appealed to the appellate court in Stuttgart, and finally to the Supreme Court in Karlsruhe. Gera lost at all levels.

That was only the beginning. The owner of the name and registered trademarks had to be decided in every country. The litigation between Zeiss (west) and Zeiss (east) spread like wildfire around the globe. At the American trial, where control of the world's largest market was at stake, Oberkochen achieved total victory. The trial in London marked the transition to coexistence. In closely observed preliminary proceedings, the state-owned operation walked away with victory.



Fidel Castro at the Opton booth in Cuba

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Jenoptik Stand at the Hanover Exhibition in 1987

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The main trial in front of the High Court of Justice began on Jan. 11, 1971. During this time, there was a change in government in West Germany. Chancellor Willy Brandt and Foreign Minister Walter Scheel pursued a "new policy towards the east".

After six weeks of negotiations in London, the two British lawyers arranged to meet. They requested an adjournment of the trial to work out an out-of-court agreement. And, in fact they did. The quarreling brothers manage to negotiate the "London Accord". It governed the worldwide use of the name Carl Zeiss and all its trademarks.

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The past in focus

Coexistence



Willy Brandt and
Guenter Guillaume,
1974

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On April 24, 1974, Guenter Guillaume, a personal assistant to the Chancellor, was exposed as a spy, leading to Willy Brandt's resignation. Two years later, the Federal Bureau of Criminal Investigation was able to capture another spy in Oberkochen. He had passed the construction diagrams of the night vision device "Orion 80" on to his commanding officer.

The case was tried in Stuttgart-Stammheim before the 5th criminal division of the Higher Regional Court in Stuttgart. The defense employed an attorney from a well-known law firm in Munich, who advised his client to remain silent. As a result, only the offense for transferring data from the "Orion 80" could be proven. Experts believe the attorney was hired by the East German Ministry of State Security (Stasi).



General Director
Wolfgang Biermann,
1975

[enlarge](#)

In 1975, Guenter Mittag, head of the Economic Commission of the Central Committee, declared that Zeiss "no longer operates properly." He named manager Wolfgang Biermann as General Director of VEB Carl Zeiss Jena, which had been turned into a combine. A year later, Biermann also became a member of the Central Committee of the SED. To "force through" his budgeted figures, he ruthlessly abused his power. "He was the Commander-in-Chief, and no one was allowed to question his orders," said his personal assistant. "Another style of leadership had no chance in this economic system. The command economy needed commanders."

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Und trotzdem Brüder

Reunification

The turning point in Jena came on November 4, 1989. 40,000 demonstrators gathered at the "Platz der Kosmonauten" (Cosmonaut Square). Wolfgang Biermann stood on the podium with other comrades. He was the highest ranking functionary, and the opposition's attacks were directed at him. He headed defiantly towards the microphone. But no one wanted to listen to him anymore. As he pleadingly and deliberately closed his statement with: "I say this to you and stand here as a member of the Central Committee and General Director of Zeiss," he was shouted down by the many thousands of Zeiss employees. No one felt pity. Too many employees had been humiliated over the years.

A camera team from the Westdeutschen Rundfunk (West German Broadcasting) filmed segments of the two-and-a-half-hour discussion. "You can feel an air of emotionally charged defiance here in Jena, as well as all over the DDR," explained one of the journalists. "You can only wish them success."

Dr. Horst Skoludek was CEO in Oberkochen at the time. He was determined to use the opportunities that were now there to reunite both Zeiss operations. On Feb. 2, 1990, he went to Jena along with his attorney and press speaker. He wanted to form his own personal opinion on the condition of the combine. Both sides entered negotiations with caution and confidence. Zeiss West and East, as well as Schott West and East signed the "Biebelrieder Declaration" on May 29, 1990. Both parties agreed to merge under a single Carl Zeiss Foundation following a transitional period. Soon there was no more talk of a transition period.



Biebelrieder
Declaration 1990;
Adolphs, Gattnar,
Skoludek, Altmann
[enlarge](#)



The German Mark

On July 1, 1990, the DDR introduced the German Mark (DM) as a means of payment. The state-owned company was simultaneously converted into an incorporated enterprise. A new GmbH (LLC) emerged from the ashes of the Jena combine with 30,000 employees. Together with a consulting firm, it was tasked by the Trust with analyzing the competitiveness of the company in a market economy. Boston Consulting soon mentioned a figure of 10,200 employees at most that could be retained from the original 30,000; and that, only with significant outside support.

The works council and union called for a protest rally on Feb. 13, 1991. Zeiss employees in Jena trusted no one: not the management at Jenoptik,

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who rose up during the DDR; not the trust agency, not CDU Minister President Josef Duchac, and also not those in Oberkochen. During his speech at the Platz der Kosmonauten, the chairman of the works council said: "Have the Zeiss employees in Oberkochen forgotten that they received a lot of help from Jena when they were just getting started?" Zeiss Oberkochen was shocked. A special session of the Board of Management declared: Carl Zeiss (Oberkochen) set everything into motion to help Jena, has a model for future cooperation and now has to listen to insults from all sides.



President and CEO
Dr. Horst Skoludek
[enlarge](#)

The final decision was made at the trust agency in Berlin on June 11, 1991. President and CEO in Oberkochen Dr. Horst Skoludek, declared that Zeiss (West) would assume responsibility for the core business of optics and 2,800 employees. The trust agency allotted DM587 million for capital resources and compensation. These subsidies proved to be too low.



President and CEO
Prof. Dr. h.c. Lothar
Späth
[enlarge](#)

On June 11, 1991, they also decided that there would be a 2nd industrial complex with 7,400 employees alongside, and independent, of Carl Zeiss Jena GmbH – the Jenoptik GmbH (later Jenoptik AG). Lothar Spaeth assumed responsibility for the new enterprise. Having resigned from his post as Minister President of Baden-Wuerttemberg, he had now found a new challenge.



Commissioner Dr.
Hermann Franz
[enlarge](#)

During 1994, Carl Zeiss Oberkochen (and also its subsidiary in Jena) found itself in a crisis. Foundation Commissioner Dr. Hermann Franz called a board meeting on October 20th. This committee was equivalent to a supervisory board in an AG. Members of the various boards arrived at the Hotel Fontana in Stuttgart-Vaihingen with a sense of foreboding. What followed was more than any of them had expected. Dr. Franz declared a state of emergency: "Zeiss is in need of restructuring." No single entity could be blamed for the difficult position. The economical basis and the management capacity were not sufficient enough to acquire Carl Zeiss Jena GmbH. Because of historical reasons, it was impossible to reject the merger. To allow for a new beginning, President and CEO, Prof. Jobst Herrmann, requested to be relieved of his duties.

The next day he informed Minister President Erwin Teufel and the media. After already having to reduce the number of employees at Carl Zeiss Jena GmbH to 2,050, a further reduction to 1,450 was now unavoidable. Operations in the west could



President and CEO
Prof. Jobst Herrmann
[enlarge](#)

also not be spared. The number of employees worldwide was reduced from 15,900 to 12,900. "What is happening at Zeiss is not only a tragedy for 3,000 employees, but also an especially sorrowful chapter in the German-German history," lamented the southwestern media.



President and CEO
Dr. Peter Grassmann
[enlarge](#)

An old Russian saying says that "it is always coldest just after sunrise." Foundation Commissioner Dr. Franz informed the company board on Nov. 8, 1994, that he had found their savior. "Dr. Grassmann will take over as head of Zeiss." The appointment of the "energetic manager" was overwhelmingly endorsed by both the government and the media. Dr. Peter Grassmann, a physicist, had previously been a member of the board for Siemens Medical Technology. As a result, the newspapers uniformly declared: "A medicine man to the rescue."



The 6 pillar model
[enlarge](#)

The new speaker of the board was able to implement his strategy. It stated: focus on our core business. With 6 pillars, the six areas in the company, Zeiss now had a defined structure.

Twenty business fields that had no chance of yielding a profit, or did not belong to the core business, were sold off, turned into joint ventures, or terminated. As Grassmann said, of course that can't "be accomplished without a lot of pain." Essential to the success of the restructuring, was the boom in the microelectronic industry. With Dutch partner ASML (a spin-off of Philips Eindhoven), Zeiss built the "Wafer-Stepper" which aids in manufacturing computer chips.

Carl Zeiss celebrated its 150 year anniversary on Nov. 19, 1996 in Jena. In his commemorative speech, Chancellor Helmut Kohl stated: "Carl Zeiss represents all the problems, but also the opportunities associated with German reunification." In this case, it took significantly longer than the "three, four, or five years at the most" that he predicted until the "blooming landscape" would become reality.



Chancellor Helmut Kohl, commemorative speech to the 150 year anniversary of Carl Zeiss
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