

THE
COST
OF

DIAMONDS

As Jewish lapidaries were held in Nazi concentration camps, diamond sales soared in the US. Both sides saw gemstones as integral to the war effort.

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Nearly two years into Nazi Germany's occupation of the Netherlands, on 16 April 1942 Jewish and non-Jewish diamond merchants received orders to congregate at the Amsterdam Diamond Exchange at midday, to register inventories of finished gemstones. Instructed to bring with them their companies' stock, each merchant, so they were told, would obtain written documentation specifying the stones' quantity, quality and market value. On the day of the Diamantroof (diamond raid), members of the Exchange, having entered the main hall, soon found the exits barricaded. Within minutes the head of the Rijksbureau voor Diamant, Carl Hanemann, marched into the building. With him were the German mineral dealer Arthur Bozenhardt, the head inspector of the SS Devisenschutzkommando (Foreign Exchange Protection Unit), officers from the Amsterdam police and, finally, the Dutch collaborator, police detective Willem Klarenbeek. Equipped with pen and paper, they sat down at small, wooden desks, lined up the crowd and coerced those present to hand over every single carat in their possession.

Hanemann claimed that diamonds collected on the floor of the Exchange would be carefully catalogued as 'Aryan' and 'non-Aryan deposits' and kept safe at a bank in Arnhem, a city near the German border. Amsterdam's gem merchants, he reassured them, would retain ownership of these stones. Nazi officials and their Dutch collaborators worked from noon until evening to confiscate inventories from Asscher Diamond Company, Smith & Sons, Soep Co., Brothers Dümig and others. Experienced and established businessmen waited in line for hours, degraded and searched in front of their colleagues, forced to turn their pockets inside out to prove no gems remained hidden. After Hanemann and his associates finally left the scene a stunned silence and confusion filled the hall.

Nazi plunder

The planned looting of 71,000 carats (an estimated 25 million guilders at the time; over a billion British pounds in today's value) was directly tied to the Nazi war effort. Fighting a costly conflict, Germany found valuable resources in the occupied areas to subsidise its

territorial and military ambitions: money, gold, property, art and diamonds. War gems, sold for hard currency, replenished Hermann Göring's economic Four-Year Plan. The Devisenschutzkommando (DSK), established in 1940, was a special unit operating in Belgium, Holland and France comprising select members of the SS. Tasked with looting and confiscating anything of value, it knew where to look. The Amsterdam and Antwerp diamond industries were high on the list of desirable assets. Within weeks of the invasion, the Dutch Rijksbureau voor Diamant fell under the control of the Kriegsverwaltungsrat (War Administration Department), located in Antwerp.

The Low Countries had enjoyed unrivalled reputations for expertise in gem manufacturing for generations. In the global commodity chain of diamonds, one that stretched from South African mines to European manufacturing centres to American retailers, Amsterdam and Antwerp played crucial roles. Since the 1880s, over 90 per cent of the world's rough stones had ended up on polishing mills in these port cities. As nuclei in a multi-billion-dollar industry, they supplied the world with brilliants. To the Nazi state, controlling the diamond market meant commanding an essential and lucrative place in the international trade of ornamental and industrial gems. Consequently, during the Nazi occupation Dutch and Belgian diamond workers were *kriegswichtig* (important to the war effort) and were permitted to continue their profession well into 1942. Issued a 'Sperr' (a document granting temporary exemption from deportation), more than 1,000 lapidaries and their families were spared from transport to unknown destinations in the east.

Nazi plunder continued unabated during these years, not merely of existing diamond company inventories, but of entire industries, networks and expertise across borders. In 1943, as genocidal plans materialised with horrifying efficiency, Heinrich Himmler ordered diamond-processing equipment for concentration camps Vught and Bergen-Belsen. Cutting and polishing had to keep going, even inside places designed to annihilate the very people whose skills were critical to its continuation. Economic interests propelled the relocation



Previous spread and above: Jewish diamond merchants being searched at the Diamond Exchange, Amsterdam, 16 April 1942.

‘Fighting a costly conflict, Germany found valuable resources in the occupied areas to subsidise its military ambitions’

of production: machines and mills were disassembled in their cities of origin, to be reassembled inside barbed wire. From there, finished diamonds were meant to be exported to a global market. Though the imprisoned lapidaries were held, waiting, in separate barracks for months, diamond production never fully materialised inside the camps.

Oppenheimer

In South Africa, Sir Ernest Oppenheimer was unaware of Himmler’s schemes. Oppenheimer had been chairman of De Beers – the British diamond firm established by Cecil Rhodes in 1888 – since 1929. Born in Friedberg in 1880, Oppenheimer was a Jewish immigrant who had started out as a diamond sorter in London with Dünkelsbühler & Co. at the age of 17; on the eve of war, he stood at the helm of a corporation that controlled nearly 95 per cent of the global trade in rough stones, set prices and regulated distribution. Having impressed in London, Oppenheimer had been sent to Kimberley in South Africa in 1902, becoming mayor of the town between 1912 and 1915.



Following this, he co-founded the Anglo-American Corporation with £100,000,000 investment from J.P. Morgan & Company of New York to exploit gold reefs in the Witwatersrand; the British government knighted him in 1921 for his contributions to the 'British way of life'. Successful and politically ambitious, Oppenheimer was elected to the House of Assembly as the Member for Kimberley, a seat he held until the late 1930s. As fascism spread in Europe, Oppenheimer reached the pinnacle of his

career, chairing one of the most powerful cartels in modern history.

Unfazed by the clouds darkening over Europe, Oppenheimer sent his son, Harry, to New York to convene with board members of the advertisement agency N.W. Ayer & Co. Just weeks before Hitler's Germany invaded Poland, De Beers hired Ayer to create an advertisement campaign aimed at American customers. Diamond exports continued throughout the war, revealing the potency and ruthless force of consumer markets during



Valuables confiscated from prisoners at the Buchenwald concentration camp. These items were later discovered by soldiers of the Third US Army after the liberation of the camp on 11 April 1945.

conflict. Americans continued to buy precious stones, including those produced by Jewish lapidaries whose families fell victim to Nazi violence. In fact, American sales soared during the war, increasing by 29.3 per cent between 1941 and 1942. While De Beers had stockpiled gemstones in Bermuda and England to meet American demand, diamonds cut and polished by Dutch Jews and sold by German mineral dealers still found their way to international commodity markets.

Advertising companies promoted such purchases in 'Fighting Diamonds' campaigns, which brought together gemstones, patriotism and luxury consumerism in a simple message: buying diamonds supported the war effort and the Allied Forces. The insatiable appetite for jewellery, enhanced further by making luxury consumption a civic duty, obscured the genocidal realities in which gemstones were manufactured and sold.

Diamondiferous

Oppenheimer understood the power of advertising. De Beers had put African diamonds before the American public for decades, fanning popular demand among those with money to spend. International exhibitions in cities across Europe and America had heightened the allure of the stone by staging intricate replica mines and inviting visitors to participate in the process of washing debris. At the 1893 Chicago World's Columbian Exposition (held to mark the 400th anniversary of Christopher Columbus' arrival in the 'New World') De Beers staged a large mineral exhibit, a visual spectacle that demonstrated the process of diamond mining in the Cape Colony.

Over the course of six months, 27 million fairgoers watched industry and empire in action. The mineral exhibit featured deep-level mining and diamond sorting as well as cutting and jewellery making. The commissioner for the Cape Colony, L. Wiener, had requested 10,000 feet of exhibition space, aiming to create a fully functioning cross-section of a Kimberley mine to demonstrate the entire excavation process. Some 2,000 tonnes of diamondiferous soil, yielding an estimated two carats per tonne, would be shipped from the northern Cape to Chicago to be worked by 'native Zulus ... in the charge of an overseer'.

While similar recent exhibitions in London and Paris had shown only a handful of 'live specimens' of 'native labour', the Chicago Exposition promised at least a dozen. The fair also featured jewellery exhibits, some with multimillion dollar diamonds in glass cases, but 'not one of them', reported the *Chicago Daily Tribune*, 'is so closely watched as this great pile of dirt'. Imported from the African diamond fields, the 1,200 bags of soil had been safeguarded by 'three native Zulus who live in the enclosure in a Kaffir hut erected by themselves'.

The Cape Colony had overreached with its original proposal and had to reduce the volume of imported soil to a more modest 150 tonnes, valued at \$250,000. It proved impossible to dump the massive pile of dirt in the middle of the mining display, so it was housed instead in an enclosure in Jackson Park, some 500 yards from the exhibit. Iron buckets attached to an overhead metal wire hauled 'blue ground' (kimberlite) from Jackson Park directly into the Mines and Mining Building, continuously supplying the replica mine with 'virgin diamondiferous ground'. Courting the uninitiated, De Beers knew full well that the exhibition would 'draw a great many people who have read all about the production of diamonds but have never had an opportunity of witnessing the operation'. Wedged between displays by Mexico and Brazil, the Cape Colony exhibit proved successful. The *Official Directory* described it as the 'center of attention', inviting spectators to observe the mining process and browse through the diamond machinery hall, the mineral room and the reception room, 'where files of South African papers and books of reference are kept for visitors'. Behind plate glass, visitors could watch cutters and polishers 'turn rough diamonds into dazzling brilliants'. Jewish predominance in diamond trading and manufacturing went largely unremarked; official guides and press releases referred to 'skilled workmen'. It was the African worker, the 'gigantic Zulus', who drew attention.

'Morning dewdrops'

America's appetite for gems began to soar. Sarah Brentworth, who extolled diamonds in the 1896 edition of *The Chautauquan*, observed that the 1890s:



Employees in the De Beers diamond mines, Kimberley, South Africa, c.1900.



may indeed be called the golden age of diamonds, for these jewels have never been distributed so generally throughout the world and particularly in the United States, where their use is so common as to be almost universal.

It was no surprise, she continued, for:

what in the long list of precious stones more delights the eye of a lover of jewels than a pure, sparkling gem of the first water, rivaling in

splendor and brilliancy the morning dewdrops which tip the tiny blades of grass or the glory of winter's icy down sparkling at the gentle touch of the cold morning sun?

Demand was high. The US government took note: 'In the past twenty years', stated a Secretary of the Interior Report in 1896, 'Africa has produced £70,000,000 [\$350,000,000] worth of diamonds and the world has absorbed them all.'

In their most concentrated, portable and



ornamental form, diamonds built cities, created industries in southern Africa, Europe and America, and provided livelihoods to tens of thousands of families. But the stones cast dark shadows in the process. The diamond fields witnessed the introduction of discriminatory legislation that excluded Black African ownership. These laws, soon to be replicated on the Witwatersrand's gold fields, would serve as models for Apartheid, first officially enacted in Kimberley in the 1870s. Diamond manufacturing made a small group of people – such as Ernest Oppenheimer – very wealthy and a larger group comfortable, but kept the majority in mills or deep in the mines for long hours each day, on wages that precluded both savings and the transmission of generational wealth.

Indispensable to victory

In 1942 De Beers launched a new campaign, advertising diamonds as 'precious helpmates' to the war effort, encouraging Americans

Above: workers at the De Beers mines, c.1885.

Right: the Mines and Mining Building at the Chicago World's Columbian Exposition, 1893.

'By 1947, when De Beers launched its most successful campaign, four-fifths of Dutch-Jewish lapidaries had been murdered'



to spend at the very moment that Nazis were gathering Jewish gem dealers at the Amsterdam Diamond Exchange. 'The gem diamonds shining in an engagement ring or starring a "sweetheart symbol" have a double meaning now', stated an advertisement in the June issue of *The New Yorker*: 'They are a proud source of love and comfort to young hearts far apart. And they are the helpmeet of the fierce little fighting diamond.' Pairing images of jewellery with industrial tools containing diamond-tipped drill bits, De Beers presented gemstones as indispensable to victory and the free world. By the time the advertisement appeared, Jewish cutters and polishers, initially exempt from deportation, were being sent to Nazi death camps. By 1947, when De Beers launched its most successful advertising campaign, two-thirds of Europe's Jews and four-fifths of Dutch-Jewish lapidaries had been murdered.

The Nazis dealt a decisive blow to the Amsterdam diamond industry. Only a few Jewish gem workers returned to the factory

floors after the war. Efforts to revive both industry and union were hopeless. The losses could not be overcome. Competition from abroad – Belgium in particular, but later also India, Israel and the US – made it difficult to attract investment and professional uncertainties drove away younger generations.

For Europe's Jewish lapidaries, diamonds were both a blessing and a curse – they protected Jewish lives while simultaneously aiding in their destruction. Hidden in seams of coats and trousers, they bribed smugglers to help fugitives cross borders to safety. But they also deceived workers into a false sense of security, hoping their professional indispensability – the global importance of the diamond trade – would save them. Tragically, in most cases it did not.

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