

**National Economies (Volkswirtschaft):  
Racism and Economy in Europe Between  
the Wars (1918-1939)**

**Veranstalter:** Humboldt Universitaet, Berlin;  
Richard Koebner Minerva Center, Hebrew  
University, Jerusalem; Franz Rosenzweig Mi-  
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Organized as part of the joint research program between the Hebrew and the Humboldt Universities, „Jews in Berlin, 1918-1938: From acculturation and self-assertion to disenfranchisement and persecution“, funded by the Einstein Foundation Berlin, the international conference „National Economies (Volkswirtschaft): Racism and Economy in Europe Between the Wars (1918-1939)“ dealt with the development and function of „National Economies“ – read, segregated or exclusionist economies – in interwar Europe. Following World War I, such economies increasingly replaced the previous liberal system by attempting to reserve trade, industry and agriculture for certain sections of the population, defined by their ethnic or social identity. Viewing „National Economies“ as a springboard for later racist cleansing, persecution, expulsion and murder, the conference sought to shed light on the enabling factors of such economies, their various aspects, and the economic defense reactions of targeted groups.

As part of the conference, the exhibition „Final Sale. The End of Jewish-owned Businesses in Nazi Berlin“ was opened in the Hebrew University. Designed by the Humboldt University, in cooperation with the Aktives Museum Berlin, the exhibition had previously been shown at the Leo Baeck Institute in New York and in Berlin.

CHRISTOPH KREUTZMUELLER (Berlin) opened by highlighting the inherent contradiction between the idea of the market, presupposing unrestrained exchange, and practices of exclusion, also posing several semantic questions. These remarks were followed by MOSHE ZIMMERMANN (Jerusalem) and Jutta Illichmann, the attaché for scientific affairs at the German Embassy in Israel, who pointed to the relevance of the conference

topic for present-day society.

The first session, The Jew as „Homo Economicus“, grouped together presentations on the intellectual roots of German economic anti-Semitism, an example of interwar Jewish economic thought, and a problematization of the period concept of a „Jewish Business.“ JONATHAN ZATLIN (Boston), outlined how, against the backdrop of the late 19th century depression, German economists actively revived the medieval image of the „Usurious Jew“, completely disregarding historical evidence to the contrary in the process; alongside the well known work of Werner Sombart, Zatlin's presentation drew new attention to the work of Wilhelm Roscher and Max Weber in this context. SHARON GORDON (Jerusalem), delineated the role of Jews in Sombart's economic thought, also his intellectual „development“, in which a Romantic opposition to Capitalism led, over time, from an initial Marxist position to sympathy for National Socialism (a sentiment which was unreciprocated by the Party). DOROTHEA HAUSER (Hamburg) presented a paper sketching the responses of two Jewish economic and business writers, Erich Abraham and Kurt Zielenziger, to the financial turbulence of the 1920's and 1930's; where Abraham (d. 1935, Amsterdam, suspected suicide) pursued a rather strident approach, including an article published in the *Weltbuehne* in 1929 entitled in „Die Antisemitische AEG“, Zielenziger's 1930 *Juden in der Deutschen Wirtschaft*, attempted to refute Sombart's work using a nostalgic approach in which Jewish business leaders figured as role models of economic success, a literary topos harking back to the days of the Kaiserreich. The presentation by CHRISTOPH KREUTZMUELLER (BERLIN) and BENNO NIETZEL (Bielefeld) closed this session, raising the problematics involved in the period labeling of companies as „Jewish“. The varied bottom-up practices employed by interwar German society to effect such labeling utilized vague concepts of „Jewishness“, creating research problems for contemporary historians seeking to recreate registers of the „Jewish“ businesses targeted.

Most presentations in the second session, *Anti-Semitism in German and Austrian Econ-*

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omy, dealt with scandalous economic activity attributed to Jews. JUERGEN NAUTZ (Vienna) presented the link between campaigns against women trafficking, from the late 19th century to the 1930s, and anti-Semitism. BJOERN WEIGEL (Berlin) presented several cases of media scandals centered around the financial mishandlings of Jewish businessmen in the Weimar Republic, highlighting the media's role in creating the myth of the „Jewish Economic Scandal“ as a characteristic of the Weimar period – pandering at once both to anti-Semitic and anti-Democratic popular sentiment. BIANCA WELZING-BRAEUTIGAM (Berlin) also dealt with these financial scandals, through the figure of the Social Democratic Jewish-Lithuanian court photographer Leo Rosenthal, who documented many of them first hand. ADAM HOFRI (Jerusalem) closed the session with a presentation on the subject of the design and operation of the *Haavara* transfer agreement, the financial trust system which existed between 1933 and 1938, allowing German Jews to emigrate to Palestine with more than 200 RM of their property – sums which were necessary in order to obtain supernumerary immigration permits to Palestine from the British, available only for those immigrants who had demonstrated ownership of property in excess of 1,000 pounds.

Session three dealt broadly with ethnic and racial factors influencing European economies – France, and Central/Eastern Europe – between the two World Wars. MARCEL BOLDORF (Bochum) presented the case of French „Yellow Socialism“, proto-fascist movements which sought to establish an autocratic state with a „new economy“ through corporatism, trade unionism and profit sharing. Such a „moral“ economy was meant to appeal to workers „disgusted by the Jewish republic“, yet the diverse movements prevaricated, at least in their publications, as to their explicit ideas regarding the Jewish Question. TAL BRUTTMANN (Grenoble/Paris) described the public confusion in France between Armenians and Jews; building on the popular 19th century conception of supposed similarities between both groups – primarily their imputed aptitude for trade and the

black market – French officials and the populace at large incessantly questioned whether Armenians were not, in fact, actually Jewish. UWE MUELLER (Leipzig) examined the role of land reforms and cooperative policy in East Central Europe in the creation of rural „national economies“ in the 1920s; following role-reversals between dominant and minority groups, new titular nations used state institutions to privilege their own in-groups, attempting to transform peasants into farmers by sequestering trade and land. The new minority groups used their own cooperative networks to fight back economically. Focusing on Lithuania, CHRISTOPH DIECKMANN (Frankfurt am Main/Keele) portrayed the efforts of ethnic Lithuanians to nationalize their economy in the highly volatile state building period following WWI which saw the transition from short-lived democracy to dictatorship. The newly formed Lithuanian state made use of such indirect methods as trade cooperatives, taxes and licensing to encourage the Lithuanianization of urban centers, in which Lithuanians had previously formed an almost negligible minority.

The fourth session, *European Economy and German Diaspora*, focused on the ethnic German minorities in Europe. BERND ROBIONEK (Berlin) presented the history of the German run „Avis“ egg production cooperative, which was active in Novi Sad (present day Serbia). Economically unsuccessful, „Avis“ blamed its difficulties on „the Jews“, and succeeded in securing economic support from Berlin. ELISABETH WEBER (Berlin) focused on Romanian efforts at economic nationalization, and the reaction of the ethnic German minority in the interwar period. Increased Romanianization in the form of sequestration of assets, land and cultural reforms drove the ethnic German minority away from Romanian society, overcoming previous internal differences to develop a radically Voelkisch identity which supported National Socialism. IRIS NACHUM (Tel Aviv) presented an overview of the concept „Wiedergutmachung“ in the interwar discourse of Sudeten German politicians, who began using the word as an anti-Czechoslovakian combat term after the 1919 treaty of St. Germain, to demand com-

pensation for the alleged damages committed by the newly created Czechoslovakian state to the Sudeten German „national ownership“. The term continued to be used following the Munich agreement of 1938, rationalizing the plunder („Aryanization“) by Sudeten Germans of their former Jewish neighbors. NATHAN MARCUS (Jerusalem) showed how Austrian economic interests led to the abandonment of the German population in South Tyrol in order to obtain an international loan with Italian support, a case which illustrates the possibility of direct negotiations between nations as an alternative to arbitration by the League of Nations. JAROMIR BALCAR (Bremen) presented his paper on state-sponsored economic nationalism in Czechoslovakia between 1918 and 1945, considering both Czechoslovakian and National Socialist policies. Balcar found that both policies met with limited success, because Czechoslovakian economy was tightly interwoven with that of its immediate neighbors. However, implementation of exclusionist policies did succeed with regards to the relatively small and clearly defined group of Czechoslovakian Jews.

The fifth and last session, *The Destruction of Jewish Commercial Activities in Germany*, presented the results of a recently concluded research projects on Jewish businesses in Berlin, Breslau and Frankfurt/Main. BENNO NIETZEL (Bielefeld) elaborated on the structure of Jewish commercial activities in Frankfurt, and analyzed the destruction of this economic activity as the result of the interplay of four different processes: confiscation for the war effort, social advancement through acquisition by non-Jews („Aryanization“), mass liquidation, and expulsion. His findings point to the fact that liquidation was much more prevalent than „Aryanization“. INGO LOOSE (Berlin) presented his findings on the decline and destruction of Jewish entrepreneurship in Breslau and Silesia between 1925 (that is, before the Nazi assumption of power) and 1943; the effectiveness of Nazi measures before 1938 was limited. Loose also highlighted the internal Jewish reaction, and the manner in which Jewish businessmen, working together with the community, managed to find ways of fighting, or at least

„smoothing“ the decline of a community under siege. CHRISTOPH KREUTZMUELLER closed the session with an exposition of the dynamics behind the destruction of Jewish businesses in Berlin, noting some of the tactics employed by Jews to forestall this collapse, among them reliance on foreign citizenship (primarily Polish) as well as on Jewish self-help. LUDOLF HERBST (Berlin) commented on these presentations, which he viewed as a significant contribution to extant research. The prominence of liquidation as opposed to sales, in his view, made financial sense from a macroeconomic perspective and was based on lack of resources; Herbst termed the Nazi attacks on Jewish businesses as a kind of „cannibalism“ which, against the backdrop of extreme financial shortage, first turned inwards against the German Jews and then outwards, against the rest of Europe. In his closing remarks, MICHAEL WILDT (Berlin) expressed appreciation for the importance of the subject and its innovative nature; he suggested that the creation of a „eugenic economy“ was the expression of negotiation and struggle between different social strata within the in-group. Wildt, among others, supported the publication of papers as an edited volume.

It seems that the concept of Volkswirtschaft is indeed necessary for better understanding the post WWI mindset in Europe, the interwar economy, and ultimately the Holocaust. The conference succeeded in bringing forward a set of case studies relating to Volkswirtschaften in interwar Europe and adumbrated some of the cultural background to this phenomenon, thereby preparing the ground for future research on the subject, which could attempt synthetic transnational perspectives, addressing the fundamental dynamics at stake and the way they played out in different spheres. Specifically, the differences between Eastern and Western Europe could benefit from further clarification: while, within the West European context – for example France or Germany – the term Volkswirtschaft is easily associated with the exclusion of the Jews and hence the Holocaust, a direct connection seems less tenable in Eastern Europe. Moreover, questions having to do with agency also need to be addressed: did the push towards Volkswirtschaften come

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from above or from below, and how exactly did these social negotiations proceed? The example of the German Ethnic minorities, given relatively wide representation in this conference, was particularly troubling; this population participated in a relatively „normal“ manner in the interwar efforts to create „defensive“ exclusionist economies in Eastern Europe, reacting as a threatened minority group. Later, however, they often became actively implicated with Nazism. Should, therefore, the study of the interwar history of this group be inflected by their latter role as perpetrators, or would such a treatment amount to a post-factum treatment, violating historical neutrality?

This conference made clear that economic relations are a fertile field for the expression of racial ideas and aggressions, providing stimulating questions for future research. It seems we still have a lot to learn about the ways in which the economic register might predicate genocidal actions, and that such knowledge can indeed be useful both in the study of the past and of contemporary society. The edited volume, therefore, should be of use to scholars of the Holocaust, as well as to economic historians.

#### Conference Overview:

*Session I: The Jew as „Homo Economicus“*  
Chair: Moshe Zimmermann (Jerusalem)

Jonathan Zatlin (Boston): The Usurious Jew

Sharon Gordon (Jerusalem): Jews in Sombart's Theory of Dual Economy

Dorothea Hauser (Hamburg): Economy as Fate – Erich Abraham and Kurt Zielenziger

Benno Nietzel (Bielefeld) and Cristoph Kreutzmueller (Berlin): „Jewish“ Companies in Research

*Session II: Antisemitism in German and Austrian Economy*  
Chair: Dan Diner (Jerusalem/Leipzig)

Bjoern Weigel (Berlin): The Creation of the Jewish Economic Scandal

Bianca Welzing-Braeutigam (Berlin): Leo Rosenthal and the Newspaper Reports on 1920's Economic Scandals in Berlin

Adam Hofri (Jerusalem): The Legal Structure of the Haavara (Transfer) Agreement – Design and Operation

*Session III: Ethnic Fault Lines in Europe*  
Chair: Michael Wildt (Berlin)

Marcel Boldorf (Bochum): Racist Parameters in the French Economy

Tal Bruttman (Grenoble/Paris): The Creation of 'National Economies' in Rural Areas in East Central Europe

Christoph Dieckmann (Frankfurt a.M./Keele): Nationalist Economies in Lithuania

*Session IV: European Economy and German Diaspora*  
Chair: Yfaat Weiss (Jerusalem)

Bernd Robionek (Berlin): German Ethnic Economy in the Vojvodina between the World Wars

Elisabeth Weber (Berlin): Economic Nationalism in Romania and the Reaction of the German Minority between the World Wars

Iris Nachum (Tel Aviv): „Wiedergutmachung“ – A Sudeten German Combat Term

Nathan Marcus (Jerusalem): The Austrian Minority in South Tyrol and the Investitionsanleihe of 1930

Jaromir Balcar (Bremen): „Czechification“ and „Germanization“ of the Czechoslovak Economy, 1918-1945

*Session V: The Destruction of Jewish Commercial Activities in Germany*  
Chair: Ludolf Herbst (Berlin)

Benno Nietzel (Bielefeld): The Destruction of Jewish Activities in Frankfurt am Main

Ingo Loose (Berlin): The Decline and Destruction of Jewish Entrepreneurship in Breslau and Silesia, 1925-1943

Christoph Kreutzmueller (Berlin): The Destruction of Jewish Economic Activities in Berlin, 1930-1945

Closing Remarks: Ludolf Herbst, Christoph Kreutzmueller, Michael Wildt, Moshe Zimmermann

Tagungsbericht *National Economies (Volkswirtschaft): Racism and Economy in Europe Between the Wars (1918-1939)*. 21.10.2012–24.10.2012, Jerusalem, in: H-Soz-Kult 05.01.2013.