3 Expropriation and Expulsion

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The destruction of the economic existence of the Jews and the step-by-step expropriation of their assets stand as one of the largest transfers of wealth in recent European history, comparable in scope to the gradual elimination of private property in communist eastern Europe after 1945. None the less, over many years, expropriation and expulsion sparked little interest among historians; even though inextricably intertwined with the mass murder, it remained eclipsed by its thematic dominance. Raul Hilberg, the Nestor of Holocaust research, explicitly stressed the nexus between economic expropriation and destruction. In his monumental work The Destruction of the European Jews, he conceived definition, expropriation, concentration and annihilation as integral components of a complex 'destruction process'.

This notwithstanding, the expropriation was long viewed as an insignificant secondary by-product of the Holocaust. Yehuda Bauer, with Hilberg probably the most eminent in the ranks of Holocaust scholars, was recently emphatic in stressing this consensus in the older research literature. He placed expropriation under the rubric of 'pragmatic considerations', which in contrast with 'abstract ideological motivations' were of comparatively minor importance as a reason for the Holocaust: 'Yes, a tremendous effort was exerted to rob the Jews of their property or to take it after they were murdered. But no serious historian has ever claimed that robbery was the basic reason for the murder. Robbery was the outcome of the Holocaust, not its cause.'

We can certainly agree with this assessment in so far as the Holocaust was not motivated primarily by material aims. Nevertheless, in Germany and numerous other European countries, an economic antisemitism existed which helped provide a certain soil for the ideological underpinnings of the Holocaust. Can Bauer's claim be maintained in its apodictic formulation and in the light of the total body of recent research? Though not the 'basic reason', were material motives more the less a 'reason' among others, especially since expropriation and expulsion were generally not the product of the Holocaust but its antecedent? And if so, what role did these dimensions play in the implementation of the Holocaust and the motivation of the perpetrators? The present chapter explores these questions, looking initially at the most important lines of development in research.

Scholarly investigation of expropriation and expulsion began in the 1960s with the pioneering study by the German historian Helmut Gensche on the 'expulsion of the Jews from the economy in the Third Reich'. Gensche's work made clear that the expulsion and expropriation of the Jews was not sudden but gradual, a creeping process that went through several phases, radicalizing in spurts, until it culminated in November 1938 in the 'legal exclusion' of the Jews from economic life. Gensche argued that until that critical juncture, the process was not always consistent in its forward movement, but was marked by contradictions, retarding elements and phases of tactical reserve. Gensche was one of the first historians to provide a concise overview of the huge losses of property and its massive transfer associated with the 'Aryanization' and confiscation of Jewish wealth. Yet the weaknesses of his presentation were quite evident. Thus, his description concentrated primarily on the activities of the government and central agencies, privileging a perspective 'from above'; this vantage was inadequate for encompassing the role of the large number of regional and local institutions involved and the array of participants, both institutional and individual. His canvas provided no indication whatsoever of the international dimensions assumed by robbery, plunder and 'Aryanization' after 1938–39. Moreover, almost totally excluded from analysis were the actual experiences of the expropriated Jews themselves.

By contrast, in his 1987 study published in English translation in 1989, the Israeli historian Avraham Barkai highlighted the perspective of the Jewish victims. Barkai was the first historian to describe the collective measures of relief and defensive strategies employed by Jews in Germany in efforts to resist their gradual exclusion. In addition, in contrast with Gensche, Barkai stressed the continuity and intentionality of economic exclusion, which had reached an advanced stage by the autumn of 1937. Moreover, with concepts such as 'the competition in personal enrichment', Barkai indicated that those involved in expropriation and expulsion were not limited solely to Nazi institutions, but extended to a host of beneficiaries in German society, though he did not highlight that aspect in his presentation. On the whole, then, the lack of interest among historians in the 'Aryanization' and confiscation of Jewish assets and property led to a dearth of serious work in the four decades after the war. Only two important monographs were published, themselves separated by a gap of almost twenty years.

All this was to change markedly in the 1990s as interest in questions of expropriation and expulsion surged, entering a veritable boom phase. For months on end, headlines in the media were dominated by topics such as the dormant,
nameless bank accounts of Holocaust victims in Switzerland, the gold pillaged by the Nazis throughout Europe or compensation for forced labourers in Germany and Austria. The upsurge in interest in these topics after the end of the Cold War was a telling expression of the subtle ‘affinity between property and memory’, as the German-Israeli historian Dan Diner put it. "Unresolved questions of restitution, issues in which historians and the public had long shown no interest whatsoever, now began to drive a new global Holocaust culture of remembrance. This discourse paid greater attention to individual suffering, and thus to the personal loss of possessions and assets, manifesting more generally a growing transnational consensus in values regarding human rights and genocide."

Studies published over the last decade have significantly expanded our knowledge on expropriation and expulsion. But this work has also raised new questions, pointing up lacunae and deficiencies which future research must explore. The advances and new insights can be summarized in four points.

1. The 1990s saw the publication of numerous regional and local studies in Germany dealing with expropriation and expulsion at new levels of concrete depth and detail. It became clear from this work that especially when it came to the ‘Aryanization’ of Jewish firms, the initiatives of local functionaries often carried greater weight than central directives handed down from Berlin. The regional NSDAP GaRu Economic Advisors had a central hand in this process, along with local mayors, heads of administrative districts (Landräte) and municipal administrations. Chambers of Industry and Commerce and the Sectorial Groups in industry (the so-called Fachgruppen der Wirtschaft) also played a role. Legally binding procedural rules and regulations for the transfer of property were not issued until 1938, and even these accorded regional institutions important powers in implementing ‘Aryanization’.

Yet it was not only the number and influence of the regional institutions involved that proved far greater than previously assumed; the number of beneficiaries and profiteers also dwarfed earlier estimates. Thus, in Hamburg alone, more than 100,000 individuals acquired objects formerly in Jewish possession, hundreds of firms changed hands and thousands of pieces of real estate came under new ownership, along with the furnishings of 30,000 Jewish households. A large proportion of these items of furniture and household goods were pillaged from their owners throughout the whole of occupied Europe.

In contrast with widely held views, it was principally small business proprietors and the owners of small and medium-sized firms who profited from ‘Aryanization’, while the larger enterprises tended initially to keep their distance, holding a more conservative view of such transactions. As a rule, Jewish property, especially firms and real estate, was acquired at a price far below market value, even when the ‘purchasers’ had sufficient options for action that would have allowed them to provide the Jewish owner with full recompense.

2. In the analysis of expropriation and expulsion, the focus shifted to the foreground an array of institutions and actors barely in keeping with the previous image of the classic Nazi perpetrator. That was especially true when it came to finance officials and the finance bureaucracy, centrally involved from 1933 in the systematic organization of the financial plunder of the Jews. The principal instruments utilized were special levies and taxes imposed on the Jews and Jewish communities in Germany and later throughout occupied Europe. By dint of these levies, the finance bureaucracy became a key factor, alongside the Security Police and Security Service (SD), in Jewish expropriation and the ‘utilization’ (Verwendung) of the property of deported and murdered Jews.

The German historian Kurt Schilde has correctly characterized this finance officialdom as a veritable ‘bureaucracy of death’. Even before 1938–39, it had achieved a position of unlimited power over the Jews by means of a steady tightening of the screw in criminal legislation governing foreign currency. In so doing, the officials distanced themselves from the normative bases of bureaucratic procedure through a wilful and arbitrary extortive approach. The example of the finance bureaucracy, a classic institution of the ‘normative state’, made clear that it is impossible to account fully for the radicalization of Jewish persecution as an overpowering of the ‘normative state’ by the institutions of the ‘prerogative state’, such as the Security Police and the SS. Such an explanation, declaring this to have been a central driving force behind anti-Jewish policy, had been advanced by a number of authors in the ‘functionalist’ school, in line with Ernst Fraenkel’s model of the National Socialist ‘dual
state. Instead, the instance of the extortive finance bureaucracy pointed to a radicalization of the ‘normative state’ itself: it increasingly distanced itself from and abandoned normative principles in the persecution of the Jews, even perceiving this as a ‘liberation’ from ‘onerous’ restrictions under the rule of law.

Along with a revamped focus on the finance bureaucracy, historians and the public developed a special new interest in the banks and insurance companies as institutions directly implicated in expropriation and expulsion. For a long time, banks and insurance firms had kept their archives tightly shut to historians. But as a result of the international discussion on stolen gold and dormant accounts and insurance policies, they were forced to accept a radical change in approach, granting historians (if initially only a select few) access to company files. As a whole, the findings of the various studies proved ambivalent. Yet banks and insurance companies were heavily implicated in the plunder and expropriation of the Jews in Germany and occupied Europe, and in the process had seriously discredited themselves morally. In ‘Aryanization’ transactions, the banks had functioned as brokers and intermediaries between the Jewish owner and ‘Aryan’ buyer, pocketing handsome commissions for their services: they sounded out the political terrain, applying their inside knowledge in the sector and bringing their networks of business relations to bear. In the confiscation of Jewish assets, banks and insurance firms had few reservations in working hand in glove with the institutions of the Nazi state, even when this cooperation acted against their own economic interests, because as a result banks and insurance companies lost Jewish clients and their money after Jewish assets were confiscated.

In contrast with previous assumptions, direct material gain resulting from Jewish persecution was not a salient factor, or at least not the sole crucial factor behind such cooperation. Nor was such material gain as huge as some authors have asserted. For more influential here were political-strategic considerations: in a highly politicized economic landscape such as that of Nazi Germany, banks and insurance firms entered the fray, vying for political influence. The intention was to ensure for one’s own firm the best possible conditions for profit and competition in the future by toeing the political line and conforming to an expansionist and seemingly successful regime. Of course, this motive did not reduce in any way the moral and ethical costs of the firm’s policies; it even multiplied them.

3. Studies in the 1990s on expropriation and expulsion have provided a new perspective on the comprehensive picture of Nazi policies of plunder, extending to all conceivable spheres and objects. Even woollen stockings and cooking pots formerly owned by Jews were pilfered by staff working for the Rosenberg Task Force (Einsatzstab Reichsleiter Rosenberg, ERR) throughout occupied Europe, sent back to Germany and distributed there to the population, sold or auctioned off. The ERR was simultaneously centrally involved in the plunder of art and cultural artefacts, a policy vigorously pursued by the Nazis and which extended to both private Jewish collections and artworks in state collections. The most recent research on the theft of art by the National Socialists has made clear that few cultural objects escaped the clutches of the confiscation policies of the National Socialists, who expropriated and pillaged millions of paintings, sculptures, carpets, books, manuscripts and musical instruments.

In this process, recent inquiry has shown that the actors were not motivated solely by crude greed. Thus, the American historian Jonathan Petropoulos has convincingly demonstrated the pivotal role works of art played in symbolic self-representation, especially when it came to leading National Socialists. With art as an accessory and the ambience it generated, these individuals sought to reproduce the lifestyle of the nobility, documenting their claim symbolically as a new elite while also accentuating their high-ranking status within the Nazi hierarchy. In addition, such plunder was inseparably linked with ideological tenets. Thus, the art thieves believed they had embarked on a crusade to eliminate ‘Jewish culture’, utilizing their loot if need be for purposes of ‘research and education’. Such studies had a common aim: to demonstrate the purported ‘higher quality’ of ‘German’ or ‘Germanic’ art.

4. In the 1990s, commissions of historians were set up in many countries to investigate the plunder of Jewish property. Still in its infancy is a comparative body of research that points beyond the perimeters of respective national analyses, making a key contribution to Holocaust studies. An important first step is the work by the French historian Jean-Marc Dreyfus, a comparative study of the plunder of Jewish property in France, Belgium and the Netherlands. It has been demonstrated that plundering from the Jews corresponded with the intensity of their persecution, the structures of German occupational rule in those countries and the status the German occupiers conferred on the country. Thus, the plundering of the Jews in the Netherlands, where the Nazis’ policy was the ‘Germanizing’ of the country over the longer term, was driven forward in a far more systematic and intensive way than in Belgium or France, where there was an autonomous regime of collaboration, though that local regime participated proactively and on its own initiative, especially in ‘Aryanization’.

Using the example of the Netherlands, the Dutch historian Gerard Aalders has shown that the theft of Jewish property cannot be separated from other aspects of occupation policy as a whole, but should be seen as a more extensive policy of plunder, which also targeted the non-Jewish population.

But how was Jewish expropriation linked in concrete terms to the economic and financial needs of German occupation? The German historians Götz Aly and Christian Gerlach have recently developed the thesis, proceeding from the example of Hungary, that the seizure of Jewish property indirectly helped
finance the German occupation, while also contributing to the material privileges enjoyed by the German population during the war.26 On the one hand, the German occupiers levied high ‘occupation costs’ on the occupied countries, as a rule 50 percent of their last peacetime budget. On the other, the proceeds from the sale of Jewish property remained as a rule in the occupied countries, thus constituting a quasi-compensation for the exorbitant sums which these countries were forced to pay to the German Reich.27 This thesis for the first time forges a conclusive link between the expropriation of Jewish property and the total framework of finances in Nazi occupational rule. Of course, this thesis should not be overemphasized, because the value of Jewish property and assets in the countries of occupied Europe did not even begin to cover the total ‘costs’ of German occupation.

Historians are by no means of one mind when it comes to the form and function of expropriation and expulsion. Some emphasize the large numbers of participants and beneficiaries, stressing the extent of self-enrichment and corruption; they sketch the expropriation as a process characterized by a significant degree by violent anarchistic elements as well.28 Others stress the systematic and bureaucratic character of the expropriation, regarding the German state as the principal beneficiary. Undoubtedly, in some cases a lack of conceptual clarity contributes to these differing assessments. Thus, for example, the concept of ‘Aryanization’ is used in both its narrow and broad sense, to signify the transfer of property to an ‘Aryan’ and as a synonym for the economic and financial expropriation of the Jews in toto. The National Socialists themselves often used the same concept for different actions of expropriation. To preserve conceptual clarity, I suggest that ‘Aryanization’ be used primarily to signify the transfer of property, a process involving numerous beneficiaries and participants. This should be distinguished analytically from the confiscation of property and assets carried out by the state, which had a far more pronounced bureaucratic-systematic character.

In their essence, however, differing assessments by historians regarding the form and function of expropriation derive from the actual ambivalence and simultaneity of the most diverse methods for plunder and plunders. This was reflected in a striking way in the events that took place in Vienna after the Anschluss of 1938.29 On the one hand, there was uncontrolled plundering of Jewish property and possessions during the pogrom-like excesses, since some 25,000 self-appointed ‘commissars’ had occupied Jewish firms, proceeding to indulge and satisfy their material desires without restraint after the Jewish owners had been removed. On the other, it was these very events which helped provide the impetus for a greater degree of bureaucratic-systematic influence on the part of the state, impacting in turn in a variety of ways on the situation in the ‘Altreich’ and the occupied territories. Enrichment and unfettered corruption on one side and bureaucratic confiscations by the state on the other were thus not opposites, but rather two sides of the same coin of plunder.

A second controversy regarding expropriation revolves around the central concepts of ‘ideology’ and ‘realpolitik’. Was the Holocaust primarily ideological in its motivation, as the Bauer quotation cited earlier contends, so that material aspects such as expropriation can be seen as overshadowed by ideological motives and thus relegated to secondary importance? Or do the enormous effort and energy with which the perpetrators engaged in expropriation and the huge amounts they looted prove precisely the opposite: the substantial importance of motives rooted in ‘realpolitik’, as Götz Aly never tires of contending? Under closer scrutiny, however, the ‘ideology’ versus ‘realpolitik’ controversy turns out to be a bogus binaryism, in itself highly problematic since both sides implicitly separate expropriation and ideology. In this perspective, material aspects are isolated as ‘rational’ or ‘pragmatic’, elements which ostensibly had nothing to do with Nazi ideology. Yet such an approach ignores the fact that expropriation was solidly anchored in a nexus of ideological reasoning and rationale: economic antisemitism had long been an integral component of antisemitic ideology. From the Nazi perspective, Jewish property was not personal property but ‘property stolen from the people’ (geraubtes Volksvermögen) and substantial numbers of Nazi perpetrators did not view their participation in expropriation as acts of robbery or plunder, but rather as appropriate ‘compensation’ and material retribution for their supposed sufferings in the period of struggle (Kampfzeit) before 1933. Within this ideological construction oozing self-pity, the victims were not the Jews but the National Socialists, who defined the expropriation of Jews as a justified compensation for their earlier ‘sacrifices’ on behalf of the advancement of National Socialism.30 Without this internalized ideological content, the fervor and lack of scruples with which many National Socialist perpetrators engaged in Jewish expropriation would be hard to explain.

The extent to which expropriation was necessarily beholden to an ideological context is significantly reflected in the circumstance that it was initially diametrically opposed to the basic aim: namely, the emigration and expulsion of the Jews from Germany and Europe. It was, after all, neither ‘rational’ nor ‘pragmatic’ to press Jews to emigrate while simultaneously stripping them of any motivation to do so by implementing a rigorous financial expropriation at the very time they were opting to emigrate. This fundamental contradiction was not ‘resolved’ until 1938–39 by open, terroristic violence after the regime switched to a policy combining forced emigration with plunder by force.

On the whole, then, the 1990s have seen the publication of numerous studies on expropriation and expulsion in which many of these events have been investigated in a scholarly fashion for the first time. None the less, gaps in research and deficiencies remain which must be filled by future projects,
though these should not centre on detailing ever new incidents of plunder. Instead, what we urgently need are new research projects that seek to present a comparative analysis and classification of these phenomena. Many studies to date have been characterized by the fact that they serve primarily to clarify practical questions of restitution in the present, in the process sometimes shortchanging key guiding questions in historical inquiry. In conclusion, I will emphasize two desiderata that I think crucial for future inquiry:

1. Research on expropriation and expulsion is focused on the perpetrators and oriented to the documentary sources they have produced. By contrast, the Jews affected shrunk to a residual statistical figure whose perspective is reduced to economic and financial loss. We know only very little about the individual strategies for self-assertion by Jews who opposed these extortive measures, and know even less about their own efforts, by no means always in vain, to salvage at least a portion of their possessions and assets (for example, by bribery, the smuggling of capital, etc.).

   To date, we have only the broadest beginnings of a history of expropriation from the standpoint of the Jews. Such a history cannot be reduced to material aspects alone. After all, there were substantial psychosocial costs and diverse experiences of non-material loss bound up with the loss of property by Jewish owners. The German social psychologist Harald Welzer has recently pointed out that material goods constitute an important component in the construction of identity. Objects imbued with minor material value can assume a huge importance when they become the focus of orientation for memories, for example the few remaining mementos that remind someone of murdered relatives. Moreover, who can quantify the psychosocial burden imposed on an entrepreneur compelled to sell a family business that has been handed down over many generations, and forced to regard himself in the gallery of successful ancestors as a failure? Ultimately, after all, the true worth of a firm does not lie solely in its economic value. For this reason, future studies should seek to apply the insights and analytical models of the cultural sciences in the historiography of the Holocaust. In his cultural-sociological analyses of power, the French sociologist Pierre Bourdieu has pointed out that economic capital frequently assists in the acquisition of social and symbolic capital: the 'capital' of special social relations, respect and status, recognition. This was all the more true in the case of a minority that was only semi-integrated in many European societies. Thus, for many Jews, successful economic and professional activity was bound up with the desire for recognition, status and social integration. Not only did the expropriation destroy all hopes of integration, it also shattered an individual’s sense of self-esteem and self-definition. These were put into serious question by the racial hierarchies of National Socialism and expropriation. Expropriation also ravaged ‘cultural capital’ in Bourdieu’s sense, such as professional qualifications and education. It remains among the most urgent desiderata for research to examine such questions, advancing towards an integrative history of expropriation, which does not ignore or shortchange the internal perspectives and subjectivity of the victims.

2. The demand for an integrative history of expropriation is also connected with the question of restitution after the collapse of the Third Reich. These two spheres have to date tended to remain analytically discrete, with the analytical focus clearly on the event of expropriation. There are various reasons for more intensive inquiry into restitution and its integration within research: for one, the moral (though not historiographically relevant) aim of restoring to the survivors of the Holocaust and their descendants their plundered property and assets, as far as this is possible. After all, restitution after 1945 did not encompass all cases and objects, so that many libraries and museums still contain books and works of art which were not returned to their rightful owners or their descendants.

   From the perspective of historiography, the analysis of restitution makes possible important conclusions regarding the antecedent process of expropriation. Thus, for example, the number of so-called ‘persons liable to restitution of property’ reflects the scope of social participation in ‘Aryanization’ and expropriation, and the state of consciousness of the ‘Aryanizers’ after 1945 allows us to draw various conclusions about their motives and attitudes before 1945. On a superordinate level, the history of restitution provides a decisive gauge for assessing how societies in post-war Europe have come to grips with the Holocaust and expropriation. There are substantial differences here between West and East: there, in 1945, with the elimination of the bourgeois system of property relations, the foundations were also discarded for a possible restitution, while anti-fascism as state doctrine smothered all possible discussion about social participation in and collective responsibility for the mass expropriation. This dimension becomes especially clear in eastern Germany, the territory of the former GDR, where restitution could not begin until after 1989. For Germany as a whole, an analysis of the practice of restitution would show the extent to which the German state and German society faced and accepted their central responsibility for the Holocaust and the ravages of expropriation. In Austria, the practice of restitution, still ongoing, and the readiness to deal in a comprehensive way with expropriation and restitution will shed light on whether this state has convincingly surmounted its existential lie: the subterfuge of having been the ‘first victim’ of National Socialism. In France and other countries, historical inquiry on expropriation and restitution has sparked important discussions on complicity and collaboration. The growing boom in the topic of restitution points to a readiness to face up to responsibility for the pre- and post-history of expropriation and ‘Aryanization’
in their totality. At the same time, it points up a shared European consensus in values: namely, to view both the Holocaust and the measures of expropriation and loss of property associated with it as criminal and a basic violation of human rights – hopefully with positive consequences for the future.

Notes
2 Y. Bauer, Rethinking the Holocaust (New Haven, CT: Yale University Press, 2001), pp. 47ff.
4 H. Genthals, Die Verdrängung der Juden aus der Wirtschaft im Dritten Reich (Göttingen: Musterschmidt-Verlag, 1966).
8 N. Smidt and D. Levy, ‘Erinnerung im Globalen Zeitalter: Der Holocaust’ (Frankfurt am Main: Suhrkamp, 2001).
14 On the competing struggles between security police and finance bureaucracy, see G. Aalders, R. Hofstetter, Olaf Fendrich und die Verdrängung der Juden aus der Wirtschaft und die Besiedlung der besetzten Gebiete, in Networks of Nazi

19 The organization named after Alfred Rosenberg, chief Nazi Party ideologue. The ERR was mainly engaged in the plundering of art and cultural objects.
25 G. Aalders, R. Hofstetter, Olaf Fendrich und die Verdrängung der Juden aus der Wirtschaft und die Besiedlung der besetzten Gebiete, in Networks of Nazi