

2 AMBIVALENCE

Of the many issues on which the worldviews of the German business elite and the Nazi movement overlapped to varying degrees, antisemitism was among the most fraught, but the corporate world's relative decency on the subject offered German Jews only limited prospects of defense or protection. On the one hand, by and large during Hitler's rise to power, German big businessmen did not yearn to drive their Jewish colleagues out of economic life or regard them as foreign or accept Nazi claims that the country's guiding economic positions and policies had become "jewified" (*verjudet*). Most leading entrepreneurs and executives regarded vulgar propaganda about Jews and acts of violence against them as embarrassments to the nation and counter-productive to its interests. Yet in the 1920s, on the other hand, many major business figures harbored increasing animosity toward Jews prominent in journalism and culture and became receptive to reining in their "influence." The resulting ambivalence in corporate circles about the place of Jews in German society contributed to the weakness of anti-antisemitism in the country that helped paved the way for Hitler's ascent and the Holocaust.¹

By 1932, the days were long gone when a prominent industrialist could speak for more than a handful of extreme nationalist executives in attributing the country's failure to defy the Allies over reparations to the dominance of an "alien spirit" in high places, as Hugo Stinnes had done in 1920.² By the early 1930s, the Dawes and

Young Plans had been adopted under the auspices of non-Jewish pragmatists named Gustav Stresemann, Carl Duisberg, Hermann Bücher, and Gustav Krupp, not just Jews such as Walther Rathenau, Carl Melchior, and Max Warburg. Although many corporate tycoons grew more eager under the impact of the Depression to shift the blame for the downturn onto others, the victors in World War I and the Weimar social welfare state seemed quite serviceable enough – and far more appropriate.

Within the business world itself, moreover, events had eroded the perception of Jewish colleagues as “alien.” The leaders of Germany’s major enterprises on the eve of Hitler’s appointment as chancellor often had served with Jews in numerous wartime capacities, had frequent contact with them in daily life, found them loyal and cooperative in cartels and interest groups, and long since, if necessary, worked out mutually satisfactory arrangements demarcating the business relationships of their respective firms. In the context of the “organized capitalism” of the Weimar era, the battle that pitted Paul Silverberg against Friedrich Flick, Jew against non-Jew, for control of Harpener Bergbau in 1932 was an almost unique occurrence. At the personal level, many Gentile chief executives also had first- or second-hand experiences with intermarriage and recognized that the ranking members of many of the most prominent “Jewish” commercial families were, in fact, second- to third-generation Christians.³

Furthermore, by any statistical measure, the prominence of Jews in the German economy – which was a result of their earlier exclusion from many other walks of life and confinement to such activities as moneylending, peddling, cattle trading, and leather processing, as well as of the relatively high premium their religious practices placed on literacy and learning – was palpably waning by the early 1930s. Between 1907 and 1927, according to one study, the share of Germany’s ninety most heavily capitalized firms in which Jews were decisively or strongly represented on the managing and supervisory boards fell from 36.5% to 31% and that on which they were modestly represented from 33.5% to 18%; conversely, the proportion of these firms with no discernable Jewish presence in governance rose from 30% to 50%.⁴ Applying these categories to the country’s 300 largest non-financial firms, another study concludes that in 1927 the respective distributions were 25%, 25%, and 50%, but by 1932 the first two groups together totaled only 35% and the share of enterprises

with no significant Jewish presence had risen to 65%.⁵ Meanwhile, the incidence of Jews among the senior employees of the great joint stock banks, which are included in neither of these tabulations, fell from 11% to 7% in just the short span of 1928–30.⁶ Incomplete evidence suggests that this share continued to fall during the early 1930s, although it remained higher in the most senior ranks.⁷ In 1933, Jews bulked scarcely larger among the independent or leading personnel in German business as a whole (2–2.5%) or in industry in particular (1.3%) than in the national population (0.76%).⁸

Mortality, mergers, and mismanagement were the chief causes of the declining number of Jews in the upper reaches of German corporate life, and the effects became unmistakable after 1925. The death of Felix Deutsch in 1928 signaled not only the end of Jewish leadership at the great AEG that the Rathenau family had built, but also the passing of an entire generation of similar figures: Sally Segal at the Rütgerswerke (1925), Emil Guggenheimer at MAN (Maschinenfabrik Augsburg Nürnberg; 1925), Siegmund Seligmann at Continental (1925), Viktor Zuckerhandl at Oberschlesische Eisenindustrie (1927), Henry Nathan at the Dresdner Bank (1932), and Louis Hagen of the private banks in Cologne that financed much of Ruhr industry, A. Levy/Sal. Oppenheim (1932). Old age also removed Aaron Hirsch in the late 1920s from the management of the brass and copper giant that bore his family name.⁹

As for the merger wave, the most striking illustration of its impact is provided by the chemical industry. With the formation of the giant IG Farben combine in 1925 came the eclipse of the Gans, von Weinberg, Mendelssohn-Bartholdy, Oppenheim, and von Simson families that had dominated the Leopold Casella and Agfa firms, as well as of Julius Flechtheim, who had helped create and had managed the Köln-Rottweiler Pulverfabriken. Although he became a legal consultant to Farben, and the senior members of the other clans ascended immediately to its supervisory board, all of these men rapidly lost influence. The only one of their offspring initially allotted an important managerial role in the new colossus soon followed them into gilded marginality in 1931.¹⁰

The mismanagement that brought down fortunes and families sometimes reflected generational change at the top of firms. Unfortunate successions in the late 1920s led the Bleichroeder Bank to sell out to Gebr. Arnhold of Dresden and Hirsch Kupferwerke to come

under the control of AEG.¹¹ Hans Lachmann-Mosse, the dilettantish son-in-law who inherited the great advertising and publishing empire that Rudolf Mosse had built, so frittered it away during the 1920s that the Depression simply finished off the process: The illiquid concern filed for bankruptcy protection months before the Nazis took power.¹² Sometimes, however, the origins of trouble lay in insufficient or excessive imagination on the part of veteran figures. A stubborn refusal to adjust to changing market conditions produced the Sonnemann-Simon family's troubles with the *Frankfurter Zeitung*, arguably Germany's most respected daily newspaper of the era. Nine months prior to the crash of 1929, the owners finally responded to long-falling revenues by seeking a bailout from IG Farben, which thus soon acquired 49.5% of the stock outright and a claim against another 10%.¹³ The beginning of the end of Ottmar Strauss' role in Otto Wolff & Co. and the many supervisory boards on which he represented it lay in his accumulation of enormous personal debts through stock market speculation that came to light in 1931.¹⁴ In the most spectacular collapse of a Jewish fortune and reputation of the period, that of Ludwig Katzenellenbogen, the cause was blatant fraud. His complex of giant enterprises (Portland Cement, Schultheiss-Patzenhofer, and the Ostwerke AG) crumbled in 1931, when the banks that had financed it discovered that he had used the same collateral to borrow from each of them, without disclosing the previous debts.¹⁵

Much of the damage done to Jews' wealth and careers stemmed, however, from a widely duplicated mistake, rather than individual failings. By the late 1920s, almost all of Germany's leading enterprises were dangerously overextended financially because virtually none of their leaders had seen the Depression coming.¹⁶ Once it set in, Jewish executives hitherto acclaimed for ambition and daring found themselves removed for extravagance and foolhardiness. Such was the fate in 1931 of Heinrich Schöndorf at the Gentile-owned Karstadt department store chain and of Eugen Gutmann, Jakob Goldschmidt, and Curt Sobernheim, the chairmen of the Dresdner, Darmstädter, and Commerz banks, respectively. Indeed, by then the economic crisis was dislodging property as well as personnel, as the major Jewish-owned department stores (Hertie, Wertheim, Leonard Tietz) were forced to sell or mortgage most of their shares to the big banks and these, in turn, had to hand over many of theirs to the government in return for protection against their creditors.¹⁷

While all these developments were thinning the ranks of Jewish chief executives, Chancellor Heinrich Brüning's government issued an austerity decree in September 1931 that hastened the process. By ordering all corporations to shrink their supervisory boards to no more than thirty members and by restricting the number of supervisory board seats a person could occupy to twenty-five, the Cabinet sweepingly reduced the presence of Jews in corporate governance.¹⁸ Their relatively high average age meant that they were disproportionately forced into retirement during 1932, while those who remained found the range of their corporate activity greatly circumscribed.

Of course, time and fate affected non-Jewish corporate leaders as well, but the smaller base number of Jews made the statistical impact on them relatively large between 1925 and 1932. And, of course, hundreds of Jews continued to play significant ownership, managerial, and advisory roles in Germany's largest enterprises. More than a few outstanding family fortunes, such as those of the Schottländers and the Blumensteins, remained intact. But anything like a distinctly Jewish economic sector virtually had ceased to exist by the early 1930s in Germany, except perhaps in Upper Silesia. Even in the commercial fields where Jews remained notably "overrepresented," for example, banking, chain store retailing, and metal and grain wholesaling, the general trends toward diversified or anonymous ownership and toward the interpenetration of Jewish and Gentile management continued.¹⁹ This fading distinctness, in fact, mirrored what was happening in German society as a whole. In the waning years of the Weimar Republic, Jews still constituted larger shares of Germany's doctors, lawyers, bankers, stock and grain brokers, and corporate executives than of the nation's populace. But the degree of Jews' "overrepresentation" in German professional life had been declining, more or less parallel to the drop in their birth rate and total number, since before World War I, along with the gap between the average wealth of Germany's Jews and that of its Catholics and Protestants.²⁰ Although these trends did little to stem envy and resentment toward Jews among shopkeepers and clerks, especially after the Depression struck, the pattern was conspicuous and well recognized within the Reich's corporate elite.²¹

For these and other reasons, most contemporaneous and retrospective accounts venture the generalization that social acceptance and professional advancement within the German big business world were encumbered by discrimination only episodically by the late 1920s.²²

Thanks to the influence of events and personal ties, the endurance of traditional standards of courtesy, the force of respect for individual merit within what professed to be a performance-oriented economic system, and the self-interest of shareholders and fellow directors in the success of their enterprises, prejudice could operate in coded and indirect fashion against the ascent of individuals at one time or another, but not find systematic expression. The reach of antisemitism did not quite stop at the office door, but its grasp did grow weaker inside the threshold.

An exceptional case, significant as a harbinger of much of what would happen after 1933, is that of IG Farben's managerial elite. After the National Socialists began denouncing that concern as "jewified" in 1927, and Robert Ley, a chemist at the Leverkusen plant who was also the Nazi Gauleiter of Rhineland South, refused to desist, the firm fired him.²³ The dozen or so Jews on the supervisory board remained undisturbed, as did the Jewish occupants of important staff positions, notably Ernst Schwarz, the chief assistant for social policy to Carl Bosch, the managing chairman of the concern, and Edmund Pietrkowski, Bosch's representative at the head of the chemical industry's main interest group and on the Presidium of the National Association of German Industry. Nonetheless, a quiet purge of Farben's managing board seems to have ensued. Whereas six Jews were serving on that body in January 1926, none remained seven years later after Kurt Meyer resigned to accept a professorship at the University of Geneva just before Hitler took power. Two of the Jews left upon reaching retirement age, and one was "kicked upstairs" to the supervisory board for failing to manage his division of the firm effectively. But the other three departed in the prime of life, including Meyer, who apparently left after a falling out with the chairman of the firm's supervisory board and after senior colleagues advised him that the rise of the Nazis boded ill for his professional future.²⁴ The rise of the Nazis may have made similar instances of discrimination possible at other corporations under the guise of prudence, but several recent analyses of personnel policies toward Jews at the largest German banks reveal no pattern of discrimination prior to Hitler's accession, and to date no examples of other firms behaving like Farben have turned up²⁵

Non-Jewish big businessmen nonetheless often shared, albeit to varying degrees, some of the antisemitic attitudes that pervaded German society. As the German Jewish population shrank during

the 1920s, the share within it of immigrants from Eastern Europe rose to one-fifth, largely as a result of lax border controls between 1916 and 1920. This demographic shift generated a backlash against the supposed “inundation” of Germany by the backward traditions and practices of the *shtetl*.²⁶ Habitual German anxieties about the unwashed East waxed as a result of losses of territory to Poland at the end of World War I and the memory of the leftist risings of 1918–19 in Russia, Hungary, and Germany – in all of which Jews had figured prominently, though not nearly so decisively as right-wing propaganda claimed. “The image of the Jew as Bolshevik” imparted a new, panicky element to the insecurities that plagued the German corporate world in the 1920s and that flared anew with each economic crisis.²⁷

The result among the leaders of German big business was the prevalence of a particular mix of antisemitic aversions. It thrived, not on animosity or rivalry toward Jews one knew, but on distaste and resentment toward Jews one perceived from a distance. It focused, not on Nazism’s racist emphasis on the supposed immutable genetic defects and hatefulness of Jewry, but on the bourgeoisie’s discomfort with the “primitiveness” of newcomers from the East and sensitivity to criticism in the aftermath of the upheavals of 1918–19. From the point of view of the corporate oligarchy, the threat that “Jews” posed to “Germans” lodged neither in the economy nor primarily even in domestic politics. After 1923, only one Jew served in a Cabinet of the Republic and none in the cabinets of Prussia or the smaller states; even the German Communist Party pushed its Jewish members into the background after 1928.²⁸ As Germany’s crisis peaked in 1932, leading Jewish executives, including Oscar Wassermann and Georg Solmsen of the Deutsche Bank and the coal magnate Paul Silverberg, stood just as solidly behind President von Hindenburg and the economic policies of the Papen Cabinet as most of their non-Jewish colleagues, and proved almost as pragmatic about enlisting Nazi Party members in a national coalition government.²⁹

The menace Jews seemed to present was cultural, carried by the high representation of Jews in the fields from which attacks on traditional and national “values” and on capitalism and its standard-bearers seemed most stinging: the stage and journalism.³⁰ At the beginning of the 1930s, half the theater directors in Germany (80% of them in Berlin), three-fourths of the playwrights whose works were being produced, and a plurality of the editors of the major daily newspapers

were Jews.³¹ Among business leaders determined to disclaim responsibility for the nation's woeful condition, the urge to marginalize those who often portrayed capitalism and commerce unfavorably ran very strong – especially because these messengers had more cachet than communist cadres and were more likely to influence executives' acquaintances and offspring.

Thus, corporate antisemitism during the final years of the Weimar Republic bore the stamps of revulsion at the changing demography of German Jewry and of a recurrent quarrel in modern industrial societies between executives proud of their capacity “to meet a payroll” and the sort of people they like to deride as “the chattering classes.” Believing themselves on the losing side of a contest for public respect, Weimar corporate magnates often countered by resorting to ethnic condescension. Because Jewry frequently produced *both* estimable colleagues and annoying disturbers of the deference business leaders thought they deserved and the cultural stability they prized, such a people, executives concluded, “is to be enjoyed with caution” (*ist mit Vorsicht zu genießen*), which was to say, kept small in number and dispersed in influence until acculturation did its work of refining and sorting.

Although attitudes of this sort seldom found written, let alone articulate expression, the private papers of Fritz Roessler, the chairman of the supervisory board of Degussa, offer a revealing exception. An erstwhile left liberal who, like many executives, drifted rightward to the DVP during the 1920s, Roessler was on friendly terms with not only the six Jews on his board, but also the members of Frankfurt's first Jewish families, his fellow patrons of multiple cultural and philanthropic organizations. But he was simultaneously capable of snobbishly tracing his disaffection with the DDP, at least in part, to the high complement of “ambitious Jews” among its local members, and of dismissing one colleague as “a clever, somewhat Jewishly and unscrupulously talented salesman.” Like many Gentile big businessmen, he overlooked or downplayed the heritage of people whose behavior and status conformed to his standards, but reflexively tied what he perceived as brashness, boorishness, or shrewdness to ethnicity. On the basis of this common upper bourgeois ascription of a mix of crudity and agility to Jews, he concluded “that their influence grew to a frightening degree after 1918 and became a cultural danger,” hence “scarcely anyone ... had any objections to pushing the Jews back strongly, to

limiting or even prohibiting access to certain professions.” And yet he could not believe in even the existence of pure races, not to mention their supposed essences, destinies, missions, and qualitative rankings. He therefore rejected talk of Aryan supremacy as “absolutely without scientific basis” and ridiculed as “a fixation” the Nazi image of “a horrible conspiracy of international Jewry with Marxism.”³²

Roessler did not speak for every member of the German corporate elite in the years leading up to 1933, but his was assuredly the plurality, probably the majority, point of view.³³ Prejudice toward and limitations on some Jews might be considered advisable, but blanket persecution, exclusion, and infringements on legal rights were not. This position reconciled the conflicts that most big business leaders experienced concerning the “Jewish question.” Caught between the convenient generalizations of racism and the humanizing effects of personal contacts, between the veterinary politics (peoples = breeds) that was a commonplace of the times and the individualist precepts of entrepreneurial ideology, most executives arrived at a fateful ambivalence toward Jews in German society. That stance conceded the existence of a “Jewish problem,” but located it in a supposed inclination to specific views or behaviors. Uneasy with attacks on decent and accomplished Jews like themselves, but reluctant to defend Jews as a group, corporate leaders like Roessler often gravitated toward a speciously reasonable middle ground in public policy, one that balked at racist mysticism, but bowed to supposed reality. They thus coupled expressions of principled opposition to infringements on the livelihoods and legal status of a category of fellow citizens with acceptance of measures that would “push back” Jews’ cultural influence and hasten the convergence of their and other Germans’ income and occupational distributions, especially admissions quotas for schools and professions.³⁴

Beyond this, however, few German corporate magnates would go – not least because their snobbishness toward some Jews was duplicated by that toward rabble-rousers, whether on the left or the right, who played “on lower instincts.”³⁵ Whatever these executives thought privately of Jews, few leaders of large firms considered a debate of the Jewish place in national life worthy of a cultivated nation or likely to contribute meaningfully to solving its most pressing problems. There were exceptions, of course, notably Gottfried Dierig, the textile magnate, who later recalled welcoming the Nazis’ “declaration of war on the destructive Jewish spirit, to which I also assigned the main guilt for

all our misery.”³⁶ As of yet, however, few corporate elders embraced the “redemptive” strain of antisemitism that envisioned German renewal through the elimination of Jews.³⁷ On the contrary, many of these figures continued to fear that anti-Jewish agitation “threatened to release forces that one day could turn against bourgeois society.”³⁸

That big businessmen were more repelled than attracted by the antisemitism of the Nazi movement is perhaps best indicated by Hitler’s scrupulous avoidance of that theme while seeking their support. His experience with Emil Kirdorf, a retired coal magnate with long-standing and warm ties to the Salomonsohn family of bankers, may have convinced the Führer of the need for reticence in this respect. When Kirdorf joined the Party in 1927, he told Hitler personally that he had done so only despite the Nazis’ antisemitism, and several of the fourteen industrialists whom Kirdorf assembled to speak with the Führer a few months later also explicitly challenged him on this point.³⁹ By the time Hitler met with Wilhelm Cuno, the head of the Hamburg-America Shipping Line, in September 1930, the Nazi had learned his lesson. He went out of his way to sanitize the Party’s racial program, promising that once in power he would proceed against the “Jewish predominance in the state,” not Jewish persons as such, and that there would be no violent persecution of Jews in Germany. Just over two months later, Hitler addressed the elite Hamburg National Club and ducked the subject of the Jews altogether, thus setting a pattern characteristic of his speeches to industrial audiences from then until even several months after his accession in 1933.⁴⁰ Nonetheless, the issue remained touchy between the Nazi leader and the men he was trying to win over. Early in 1932, Albert Vögler of the nation’s largest steel company made so bold as to reproach both Hitler and Hermann Göring on the subject, and a few months later, Paul Reusch of the GHH combine ordered his newspaper in Nuremberg to editorialize against Nazi race-baiting.⁴¹

Narrow-minded by the standards of later eras, the leaders of German big business in 1930–33 were generally moderate, sometimes even liberal, by the standards of their own. But almost none of the non-Jews among them – Robert Bosch and Hans Walz in Stuttgart being notable exceptions – were active anti-antisemites.⁴² The predominant views on the “Jewish question” among executives both deluded and disarmed them when confronted with Nazi racism. In the first place, because they were generally unable to take racism seriously as

a remedy for complicated problems, many executives were inclined to believe that the Nazis were not serious about it. The muting of antisemitic themes in Party propaganda after 1930 and in Hitler's speeches to industrial audiences reinforced hopes that a more "rational" attitude toward the role of Jews in national life would prevail, especially because the National Socialist German Workers' Party (Nationalsozialistische Deutsche Arbeiterpartei, NSDAP) was unlikely to come to power except in a coalition with forces that would restrain it in this regard.⁴³ In the second place, the point at which corporate leaders drew lines between excessive and warranted discrimination against Jews had retreated far enough by 1932 to make the sturdiness of Kirdorf, Vögler, and Reusch seem a bit archaic. Because they harbored enduring anxieties about Jews as a group, however tepid by Nazi standards, most big businessmen, particularly those in the generation-in-waiting at many firms, were prepared to decry intolerance only in their own sphere of action and against particular individuals, but not to stand up against the general practice.

Such people found reassurance in the Party's own formulations of its intentions toward Jews in Germany's economy. To be sure, few executives had read *Mein Kampf*. But those who had been briefed on it knew that the Nazi Führer regarded economic activity as merely the most ancient means by which Jews supposedly had corrupted Germans and as far less important to contain than their influence in politics and culture.⁴⁴ The same scale of priorities characterized the Nazi Twenty-Five-Point Program of 1920, Göring's and Hitler's public pronouncements during the early 1930s, and the principal internal Party documents on the Jewish question prepared prior to January 1933, which called for numerous limitations on the rights of Jews but said scarcely anything of commercial curbs.⁴⁵

On the eve of the Third Reich, then, most German big business leaders rejected some forms of antisemitism, but not all. Ambivalence about the rights and roles of Jews in German society was not a promising basis for resisting an assault upon them.

