

Research Design Project

The German Economic Miracle, Yet Another Trial for the Jews

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Historians studying Europe's economic reconstruction following WWII commend Germany's ascension into the global economy in spite of wartime devastation. The widespread ruins and exhaustion of human and financial capital rendered the rapid growth nothing short of a miracle, hence why this particular development is regarded as *Wirtschaftswunder*, or the German Economic Miracle. It is appropriate to be in awe at the birth of ordoliberalism and to respect the combined efforts of the former Minister of Economic Affairs Ludwig Erhard and Chancellor Konrad Adenauer. However, it is not conscientious for the financial success of Germany to supersede the discussion of economic reintegration for the displaced Jewish community. I propose that the development of the social market economy did not vanquish economic antisemitism, and therefore I call into question the relationship between reparations from the war and reintegration of Jews in allied-occupied Germany. For a more in depth understanding of this relationship, this project seeks to address the following questions: What does the simultaneous examination of economic-antisemitism and *Wirtschaftswunder* reveal about the livelihood for Jews that survived the Holocaust? How did the Conference on Jewish Material Claims Against Germany impact the socio-economic status of Jews living in West Germany? In what ways do discussions of national economic prosperity reinforce the identity of the nation and thereby exclude others from it? By addressing these questions, I expect to uncover the shortcomings of the Economic Miracle, specifically its inability to provide employment opportunities and affordable housing to West German Jews. Further, this study anticipates finding that reparations, as a precursor to economic expansion, failed to address the true hardship for Jews who needed to reintegrate into a society that, in close time, sought to expel them.

The Selection of Region and Period:

This research will use the region of the German Federal Republic in its analysis in order to shift the focus away from the assumption that Holocaust survivors from West Germany had the means to seek refuge outside of their home, or were unwilling to return altogether. Often, analyses of the impact of economic reintegration through reparations focus on financial support sent abroad, and particularly to Israel where 500,000 Jews migrated at the end of the war.¹ This understanding of history fails to recognize the 200,000 concentration camp survivors that returned to postwar Germany.² By turning attention to West German Jews, the narrative of the Jewish survivor becomes one of perseverance and strength rather than fleeing and passive.

It is necessary to contextualize the topic of reintegration through reparations with that of the German Economic Miracle due to their close relation in time. Talks of reparations were first considered three months after the end of WWII when Chaim Weizman, a founding member of the World Zionist Organization, submitted a memorandum on behalf of the Jewish Agency to the United States, United Kingdom, France, and the USSR. Though, the consideration of reparations to Holocaust survivors was not addressed until Israel's foreign minister, Moshe Sharett, submitted a \$1.5 billion claim to the German Federal Republic in 1951. As a result of the Luxembourg Agreement, the demand was met on March 27, 1953. The year 1952 is when most scholars cite the beginnings of *Wirtschaftswunder*, and when talks of Jewish wellbeing end with a shift to economic recovery. Reparations, as a part of *Wirtschaftswunder*, are generally discussed as a troublesome debt, as if establishing economic security for the Jewish community was a hurdle to overcome in rebuilding the German nation. In discussing economic reintegration for Jews during

¹ Holian, Anna. "The Architecture of Jewish Trade in Postwar Germany: Jewish Shops and Shopkeepers between Provisionality and Permanence." 2017. *Jewish Social Studies* 23 (1), 105

² Ibid., 106

this period, we are able to assess the extent in which reparations provided economic mobility that allowed Jews to find themselves at a higher economic status.

A Discussion of the Protagonist and Tensions:

This study will focus on Jewish daily life during the Economic Miracle as a way to argue that reparations were the nation's way of escaping future talks of Jewish hardship in Germany. There is no intent to discredit the economic phenomenon; rather, we should be reminded that the fate of the Jews in the postwar period is often discussed as if reparations were their ultimate victory. It should be recognized that the Third Reich expropriated the Jews, stripping the community of their material and cultural values, and regardless of steps taken to denazify the region, Jewish identity was indefinitely detached from the German one. For this reason, many researchers analyze German financial success by excluding the Jews from this conversation. This was, undoubtedly, a result of the desire for the German nation to redefine itself as moving forward from its Nazi past. It is important that we turn our attention to the Jews during a time called economic prosperity to recognize they were equally a part of the nation and are a variable that evaluates just how miraculous the postwar transformation was.

Embedded within *Wirtschaftswunder* were political tensions that expected restitution to appease competing demands and set a trajectory for economic growth. Firstly, the postwar dialogue in Germany was strained by bill collectors seeking war damage repayments. This included the allies who decided on settlements at the Potsdam Conference. While concerned with moving West Germany forward to a social market economy, the Jewish people's demands were sidelined. Policy makers turned their attention to battling inflation and industrializing the nation, while simultaneously disregarding multigenerational antisemitism that worked against Jews in

finding space in the new Germany. Tensions were tightened as ordoliberalism and social economic policy, the basis of the Economic Miracle, emerged as structures intended to serve the welfare and needs of Germans. Though, up for debate is whether Jews were, among their fellow Germans, considered a part of the population and received those benefits.

Historiographical Background:

Many scholars approach the topic of postwar Germany with an understanding that WWII caused irreversible damage to the relationship between Germany and its victims. Steven Schroeder touches on this relationship in the introduction of his book, *To Forget It All and Begin Anew : Reconciliation in Occupied Germany, 1944-1954*. Schroeder writes, “The survivors were living reminders of the communal and personal devastation left in the wake of German wartime aggression.”³ The work is telling as it recognizes how structural antisemitic practices were carried forth by neglecting the Jewish issue in the founding of the Federal Republic of Germany. Chapter 3 of his book introduces the idea that Western allies sought to distance themselves from Jewish affairs. It wasn’t until Harry Greenstein organized the Conference on the Future of Jews in Germany in July 1949 that the issue of Jews in Germany was addressed. Schroeder asserts that there was little support for these initiatives when he says, “Although Greenstein had the support of the U.S. High Commissioner John J. McCloy, he represented a minority viewpoint at the conference that wished to establish permanent Jewish communities in Germany and utilize Jewish victims’ assets for that cause.”⁴ This statement suggests that the Jewish issue was not a priority for policy makers as they began to push for economic growth in the years to come.

³ Schroeder, Steven M. *To Forget It All and Begin Anew : Reconciliation in Occupied Germany, 1944-1954*. German and European Studies. Toronto [Ont.]: University of Toronto Press, Scholarly Publishing Division, 2013, 4

⁴ *Ibid.*, 49.

Scholars like Werner Cahnman recognize that antisemitism did not simply come to light with the Third Reich nor end with Germany's surrender at the end of the war. In the article "Socio-Economic Causes of Antisemitism," Cahnman performs an analysis of economic antisemitism in the time between the 15th century until the end of WWII, concluding that the Jewish problem is "the oldest, most persistent, and in many ways the most perplexing problem in occidental civilization" and should not be viewed, in any context, as if it easily disappeared.⁵ A flaw, however, in Cahnman's writing is his disregard for the socio-economic effects of antisemitism and how they changed life for Jews over time. Nevertheless, he supports the idea that "if a patterned arrangement repeats itself generation after generation, an image is formed in the minds of men, which in continued cultural transmission becomes itself a factor of structural potency."⁶ This claim gives strength to the argument that antisemitic actions, in direct and non-direct forms, could not have simply disappeared in the seven years between Germany's surrender and the start of the Economic Miracle.

Scholar Anna Holian provides evidence of this in the opening of her article "The Architecture of Jewish Trade in Postwar Germany: Jewish Shops and Shopkeepers Between Provisionality and Permanence." She focuses on the Jew's agency in trading and the spur of economic activity on Möhlstrasse, a particular road that was home to the resettled Jewish community in Munich. Yet, the Jewish person continued to harness the reputation of a criminal, which is seen in the record of heavy police presence in areas concentrated with Jewish businesses.⁷ Works like this provide evidence to believe that Jews did thrive economically after WWII: yet, on their own accord and through support of each other, not by way of other Germans

⁵ Cahnman, Werner J. "Socio-Economic Causes of Antisemitism." *Social Problems* 5, no. 1 (1957), 21.

⁶ *Ibid.*, 21.

⁷ Holian, "The Architecture of Jewish Trade," 109.

or the Economic Miracle. In addition, Holian addresses how the history recorded regarding Jews in postwar Germany centers on a “provisional way of life”: an attitude that minimized Jew’s commitment to Germany and emphasized their willingness to leave.⁸ In her work, Holian explains the difference between the motives of Western and Eastern displaced Jews. She writes, “Whereas German Jews who had survived in Germany or returned there after the war were deeply connected to the country and committed to rebuilding their lives there, the situation was decidedly different among their Eastern European brethren, the so-called Jewish displaced persons (DPs).”⁹ This distinction is significant as it shows how the perception of Jews living in the East influenced the historical perception of Jews altogether. For this reason, it is necessary to investigate the life of Jews living in West Germany as their own group.

Further, to analyze how *Wirtschaftswunder* is interconnected with economic antisemitism, this study will step away from the numbers representing increased production capability and will, instead, ask what groups of people in West Germany championed the idea of economic expansion. This inquiry will add to the discussion of what some scholars call a fabricated history of economic expansion by industrialist who attempted to disconnect from their Nazi past. In a review of *West German Industrialists and the Making of the Economic Miracle: A History of Mentality and Recovery* by Armin Grünbacher, John Bendix summarizes that industrialists were the most interested in telling the story of impressive economic growth in order to cover up their use of concentration camp labor and suffocation of trade unions. Bendix writes that long after the postwar period German industrialists, and the policy makers who regarded them as indispensable to the social market economy, “were unable to accept their share of

⁸ Holian, “The Architecture of Jewish Trade,” 101.

⁹ *Ibid.*, 101.

responsibility in the Nazi disaster.”¹⁰ Such findings have yet to lead scholars to ask poignant questions such as how the dismissal of responsibility translated into missed employment opportunities, housing unaffordability, and lack of acceptance of Jews into newly formed workers unions. In “The Miracle of German Housing in the Postwar Period” economist Robert Wertheimer focuses on the West German housing boom, where on average 500,000 dwelling units were completed annually from 1953 onward.¹¹ Wertheimer brings to light the efforts of the government to publicly fund the housing projects, yet, there was little foresight for how the units would be financed in the new economic climate. While public subsidies allowed a speedy completion of the projects, average wage earners were unable to pay their rent as the cost of living rose 80 percent in the time between 1953 and 1957.¹² It is obvious academics recognize these shortcomings, but they fail to identify what groups faced these struggles.

It is worth presenting a more optimistic belief on the reintegration of Jews into West German society. The book *Jews, Germans and Allies: Close Encounters in Occupied Germany* by Alina Grossmann speaks to the positive interactions between the Germans, Jews, and Americans that defined postwar Germany. From her account, “Jews perceived their encounters and confrontations with Germans and occupiers, including those related to sex, pregnancy, and childbirth, as a means of resignifying their lives after the catastrophe of the Holocaust, indeed as a certain kind of revenge as well as ‘life reborn’.”¹³ Grossmann’s work suggests that Jews might be accepted by the West German non-Jews. To create a more fruitful discussion of reintegration,

¹⁰ Bendix, John. “West German Industrialists and the Making of the Economic Miracle: A History of Mentality and Recovery.” *German Politics and Society* 36, no. 4 (December 22, 2018), 106

¹¹ Wertheimer, Robert G. “The Miracle of German Housing in the Postwar Period.” *Land Economics* 34, no. 4 (1958), 338

¹² *Ibid.*, 342

¹³ Grossmann, Alina. *Jews, Germans, and Allies: Close Encounters in Occupied Germany*. PRINCETON; OXFORD: Princeton University Press, 2007, 3.

it would be worth asking how, or if, these interactions lead to acquired wealth whether through sex and marriage or employment through affiliation.

The scholars previously mentioned have made significant contributions to the topics of reparations, economic reintegration, antisemitism and the Economic Miracle; though, lacking in this field is a connection of these topics as they collectively add understanding to the lived experience of Jews in Western-Occupied Germany. This study proposes that reparations are determinants of economic integration, and are simultaneously influenced by lingering antisemitism. An awareness of this makes it a challenge to comply with existing literature that chooses to praise Germany's transition to open and free markets while the Jews are marginalized from the economic benefit. We must approach the Economic Miracle with skepticism, and investigate the differences in occupation, housing availability, community sanitation conditions, and the distribution of wealth between Jews and non-Jewish Germans. This research supports that the true miracle would be finding Jews were beneficiaries of *Wirtschaftswunder* as much as their counterparts.

Conducting the Research:

In order to connect these topics, the research will begin with a deep analysis of the Conference on Jewish Material Claims Against Germany, analyzing the initial asks on behalf of the Jews and evaluating the subsequent responses by the West German government. This will determine to what extent the demands were met and give a clearer understanding of Germany's commitment to dismantling the Jewish Question. In an attempt to track the movement of these funds to West Germany, and determine if they were distributed to Jews as promised, I will use files on Jews in Western Germany collected by the United Nations Relief and

Rehabilitation Administration (UNRRA) and the United States Holocaust Memorial Museum. These sources will provide the specific names of Holocaust survivors, allowing the research team to investigate further into their finances and determine whether they increased the individual's utility and made their day-to-day life easier. However, as we are examining postwar economic-reintegration during the Economic Miracle, our study is limited to Jews eligible to work in the time between 1952 and 1962. It would enhance the study to look at employment logs of thriving German businesses, tracking the demographics of the employees. As well, an examination of the demographics of families who were receiving public housing benefits through the Federal Ministry of Interior. While the many variables seem daunting, they are necessary in a holistic analysis of economic integration. If the research finds that Jews significantly saw growth in unemployment, obtained suitable housing, and were therefore welcomed back to society in which they were supported economically, then the Economic Miracle served a purpose greater than ridding shame from the German nation.

Implications for Larger Discussions:

In making space to discuss the process of economic reintegration for Jews in postwar Germany, this research hopes to invite other scholars to join in a larger conversation about the value of reparations in societies tangled with historic prejudice. We must not be blindsided by ideas that reparations are ways to set forth economic prosperity in itself, they instead equalize the chance at opportunity. The belief that history is linear allows many to perceive reparations as the end of dialogue regarding issues of race and antisemitism. Therefore, considering how a group has received reparations and has benefitted, stagnated, or been marginalized in a time in which the larger body is said to benefit is telling of whether reparations are a tool used to silence or

empower. My hope is that the findings from this research opens doors for this conversation to be had in regard to how to elevate the financial wellbeing of other groups affected by crimes against humanity.

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