

## Contemporary History

## Far more than just compliant cogs

By Martin Thureau



This journey into the maelstrom of the camps began on the streets of Kitzingen.

Source: *Documentary Records Gestapo 18880a, Photo 42; State Archive, Würzburg*

**Bureaucrats as abettors of murder: LMU historian Christiane Kuller is studying the role of the fiscal authorities in the harassment of Jews during the Nazi era.**

Mina B. arrives in Jungfernhof concentration camp near Riga in early December, having endured many days crammed in a railroad boxcar, and forced marches in icy weather under the harsh surveillance of armed guards. Hundreds of her fellow deportees have died along the way. At this point, in December 1941, Mina B. is 70 years old. No one knows how long she survived the gruesome combination of terror, freezing temperatures, malnutrition and deprivation. In the camp, disease is rife, and mass shootings are a daily occurrence.

Back in her hometown of Bamberg, fiscal officials are haggling over Mina B.'s property. Four years previously, in return for an annuity of 4,000 *Reichsmark* and an assurance of life estate, the city had requisitioned her home, the Böttinger House, together with its treasured furnishings and fixtures. Bamberg is now on the UNESCO World Heritage List, and the Böttinger House, a representative Baroque residence, is one of the city's main attractions. Perhaps suspiciously, considering her advanced age, Mina B. was among those caught up in the first wave of deportations – and her annuity payments were abruptly terminated. However, the fiscal authorities, charged with the "administration and liquidation" of the estates of

deportees, demanded that the city should continue to pay the agreed sum – to the State. The city demanded proof that Mina B. was still alive. This the fiscal authorities could not provide. Inquiries directed to the Gestapo elicited the cynical reply: "In view of her age and the extreme cold now prevailing in the East," it was highly unlikely that she had survived.

### The criminal character of administrative procedures

So even as the deported were facing intolerable conditions and the constant threat of annihilation, official correspondence occasioned by their expulsion was circulating. Civil servants made notes, filed reports, cataloged documents. Every folder was in its proper place: deportations were a routine administrative process. LMU Munich historian Christiane Kuller has been studying the workings of a central cog in the bureaucratic machinery of the Nazi State – the fiscal administration. What role did the fiscal authorities play in the system of State terror, and what functions did they fulfill in the organized extinction of the Jewish population?

In her postdoctoral *Habilitation* thesis Kuller documents "the anti-Semitic char-

acter of fiscal policy and administrative practice in Nazi Germany," in minute detail. Her account of the Bavarian part of the story was published by C.H. Beck in 2008. In the course of her research, she surveyed hundreds of linear meters worth of records. She scrutinized demand notices, endorsements, official minutes and executive orders. She decoded bureaucratic jargon and the euphemisms used by the Nazis to hide the horrifying nature of their measures behind a facade of pseudo-legality. In her summary she states that her results demonstrate clearly "the criminal character of administrative procedures" and concludes that the fiscal administration was a "significant participant" in the harassment and "wholesale economic expropriation" of the Jewish population. Without its "expertise", the deportations could not have been carried out with so little fuss, and the problems that arise "when tens of thousands are forcibly removed from the community and murdered" could not have been dealt with in such a "highly efficient" manner.

In 2011, Kuller received LMU's award for the best *Habilitation* thesis of the year. Her work forms part of an international research project on the history of the Ministry of Finance during the Nazi years. This was instigated by Peer →

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Steinbrück (Social Democratic Party of Germany) during his tenure as Federal Finance Minister, and historian Kuller is a member of the research team.

Fiscal discrimination of Jewish citizens began soon after Hitler became Chancellor in 1933. No drastic alterations to the tax laws in force under the Weimar Republic were required. An amendment passed in the autumn of 1934 simply stipulated that the tax code was to be applied "in accordance with National Socialist ideology". Inventive administrators then drew up a whole series of measures designed to give practical expression to the phrase. One of the first denied to Jewish taxpayers the right to avail of customary allowances and exemptions, forcing them to pay far higher rates of tax than other citizens. This type of measure, says Kuller, was easy to implement because it looked like an extension – though it was a perversion – of the logic of existing fiscal policy and its function as a sociopolitical regulator.

The cadre of financial officials had little difficulty in adapting to the new era. Finance Minister Lutz Graf Schwerin von Krosigk retained his position, and political purges in the fiscal administration were less far-reaching than in many other government departments. Although he was a Hitler protégé, Secretary of State Fritz Reinhardt wished to enhance the Ministry's professionalism rather than provide jobs for Party stalwarts. According to Kuller, most of the new personnel were qualified specialists, although this says little about their attitudes to the regime. At all events, there is no sign of serious dissension between the "old guard" inherited from the Weimar period and their new political masters, "the radical agents of a pernicious ideology," says Christiane Kuller.



Deportees on their way to an assembly point for "evacuation".

Source: Documentary Records Gestapo 18880a, Photo 21; State Archive, Würzburg

The first overt reference to Jews in tax forms dates from 1938, when all Jewish taxpayers were assigned to the highest tax bracket. They are already being hounded by the fiscal bureaucracy, which has detailed information of their financial status. In the same year, a compulsory levy of 20% is imposed on the assets of the already hard-pressed Jews. When it appears that this will fail to raise the expected sum of 1 billion *Reichsmark*, the rate is raised to 25%, bringing a total of 1.2 billion into the state coffers.

With this "partial expropriation," the campaign to inflict financial ruin on the Jews entered a new phase, says Kuller. No longer cloaked in legal language, its fundamentally illegitimate character became obvious, when the new provisions were implemented in the aftermath of the pogroms of 9 November 1938.

Jewish-owned firms now fell victim to state-sanctioned plundering. Tax assessors "uncovered" cases of alleged tax evasion dating back to the 1920s, and demanded payment of the "arrears". The intention was to make companies "ripe for Aryanization," by forcing them to sell out to satisfy the fraudulent tax claims.

Another approach to the acquisition of Jewish assets involved the fleecing of Jewish emigrants. The Nazis invoked the so-called *Reichsfluchtsteuer*, introduced by the Weimar Republic to prevent the flight of capital, to extract 25% of their assets from Jews who wished to emigrate so as to escape the reign of terror instituted by the regime.

To extort still more from departing Jews, the regime progressively tightened currency restrictions. In 1934 emigrants



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were being deprived of 20% of their remaining assets upon leaving the country. By September 1939 this figure had reached 95%. The Ministry of Economics had already pointed out in the mid-1930s that, by deterring Jews from emigrating, this policy didn't exactly further the overall goal of driving them out of the country. But the Ministry of Finance won the argument, a clear sign of its dominance.

The fiscal administration acquired direct and absolute power of disposition over Jewish assets when Executive Decree No. 11 regarding the *Reichsbürgergesetz* (citizenship law) came into force in 1941. This empowered the fiscal authorities to expropriate assets as soon as a deportation order had been issued, rather than having to wait until the Interior Ministry had formally deprived the deportee of his or her citizenship.

The radicalization of the regime's racist ideology was also reflected in a shift of emphasis in the implementation of fiscal policy. With the beginning of mass deportations, the tax offices were forced to devote much of their time to the "administration and liquidation" of Jewish assets. The task of erasing all material traces of the deported fell to tax assessors. They inspected the empty homes and made detailed lists of all stock. They evaluated furniture, books, clothing, tableware and jewelry, and compared their lists with those the owners had been compelled to compile before being taken away. Finally, they broke up each household, requisitioning whatever might be of use in their own offices, and selling or auctioning off the rest. By this point, consumer goods are at a premium in Germany; the economy is on a war footing. A small portion of the proceeds of the sales goes to the deprived, especially to families who have been bombed out of

their homes. This may often have served to assuage the misgivings of officials involved in disposing of the ill-gotten gains, and the regime itself placed great emphasis on their "service to the national community."

The financial bureaucrats have the houses cleaned up and choose the new tenants. They act as realtors in the search for new owners. They confiscate and administer cash assets, savings accounts and equity certificates on behalf of the State. Pensions, which have been defined as assets by decree, are also seized. The whole operation, codenamed "*Aktion 3*," not only contributed substantially to the Holocaust, it amounted to a huge exercise in "licensed larceny," says historian Kuller. The Nazi State was the major beneficiary, taking in some 800 million *Reichsmark*.

"Did his stint as usual."

Were the officials involved fully conscious of what they were being used for? Were they aware that deportees were being taken to their deaths? The inventories of vacated homes must have made it clear to everyone who read them that the so-called "evacuations" could not possibly be normal changes of residence. On the contrary, these records revealed that deportees were willfully being denied every semblance of a normal life.

In the course of her researches, Kuller came across some particularly telling documents. In November 1941 officials from the Ministry of Finance informed their colleagues in Nuremberg and Stuttgart about the plans for *Aktion 3*. The minutes of the meetings include the sentence: "Extermination is out of the question." Clearly, the suspicion that the deportations were a prelude to extermination at least came up during the

discussions. And as the case of Mina B. shows, the finance experts were directly confronted with the genocidal effects of the deportations – every time they were obliged to make inquiries regarding the fate of specific individuals when working on their files.

That the annihilation machinery was not dependent solely on the actions of psychopathic sadists has become a commonplace: its workings were also sustained by an efficient administrative apparatus. Christiane Kuller talks of "the ordinary official," a term that recalls "Ordinary Men," the title of Christopher Browning's classic study of Police Battalion 101, whose members actively took part in mass executions of Polish Jews. "With calm objectivity," Kuller writes, "tax inspectors reduced individuals to numbers, and pigeon-holed their despairing struggles to survive into the pre-defined 'case categories' listed in their card indexes, where they were neatly arranged into different 'waves of deportation'."

As Kuller sees it, this sense of detachment was fostered by the basic elements that underpin bureaucratic dominance – efficiency, division of labor, and the segmentation and depersonalization of responsibility. In addition, "punctilious compliance with prescribed forms" allowed administrators, up until the final phase of the deportations, to give their decisions "a veneer of legitimacy, which distinguished them from the arbitrary actions of sections of the Nazi Party and the physical terror exercised by the perpetrators of *Radau Antisemitismus* ('hooligan anti-Semitism')."

"Did his stint as usual." This remark, often found in later court transcripts, has become emblematic for Christiane Kuller. Nothing so pithily captures the defense



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advanced by the desk-bound organizers of frightful crimes, who saw themselves as conscientious and impartial civil servants, not as members of a gangster syndicate. As Kuller points out, the argument worked for tax inspectors “just as well as it did for jurists,” as evidenced by the many professional careers that continued unbroken well into the post-war years in the Federal Republic.

#### How the war was financed by the Nazis

The commission set up by the former German Minister of Finance, Peer Steinbrück, and chaired by the economic historian Hans-Peter Ullmann of Cologne University has until 2015 or so to elucidate the role of the fiscal bureaucracy in facilitating despoliation, rearmament, war and atrocities. Kuller’s study is only the first of a planned series. According to her mentor, Hans Günter Hockerts, formerly Professor of Contemporary History at LMU and a member of the commission, the investigations will provide a broadly based account of the involvement of the *Reichsfinanzministerium* and its administrative organs in the criminal projects of the Nazis.

The research program includes in-depth studies of the organizational structure of the various administrative units, of tax policy in the Nazi era and the fiscal harassment of enemies of the Reich. For example, Adam Tooze of Yale University, who has written a history of the Nazi economy entitled *The Wages of Destruction*, is currently engaged on an analysis of how the regime kept its war machine going by issuing debt. The role of local fiscal authorities in

the exploitation of the countries occupied by the Nazis will also be probed, but exploration of the relevant source material is still underway. Projects like these promise to add a new dimension to our knowledge of how the war was financed by the Nazis. Hockerts reckons that the regime collected around one-third of the total cost, amounting to hundreds of billions, by means of expropriations and plain theft.

*Translation: Paul Hardy*



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