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Book review: Gerald D. Feldman, *Austrian banks in the period of National Socialism*

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Gerald D. Feldman, *Austrian banks in the period of National Socialism* (Washington & Cambridge: German Historical Institute & Cambridge University Press, 2016. Pp. x+581. ISBN 9781107001657 Hbk. £90/\$140)

Austrian Banks in the Period of National Socialism is a book which not only greatly contributes to our knowledge of financial history but also serves as a compass of moral and legal justice sought by those whose private property was stolen during the Austrian Nazi-era. The research presented in this piece has been invoked by a judicial settlement in 2000 which required the investigation of the activities of two Nazi-era Austrian banks. Three pre-eminent historians, one of them Feldman, were charged with the onerous task of uncovering the activities of these two financial institutions during this shameful period and identifying whom they dispossessed, how, and how they collaborated with German interest. The project's end-product was the *Österreichische Banken und Sparkassen im Nationalsozialismus und in der Nachkriegszeit* (Feldman, et al., 2006), and the currently reviewed work is the English translation of Feldman's contribution to this volume.

The book is divided into two parts, each covering one bank's history. The first part encompasses the dealings of the Creditanstalt-Wiener Bankverein (CA), the largest Austrian bank at the time, while the second part focuses on the Länderbank Wien AG.

Feldman starts his narrative in the 1930s and by demonstrating that Aryanization had taken place already before the Anschluss, he quickly crumbles the widely-held post-war belief that Austria was only a victim of Hitler's Germany. The detailed analysis brings to light such controversial cases as when the Länderbank's Jewish leadership had themselves 'thought it politically and socially wise to limit the number of Jews in the bank' (p400). In the words of the CA's general manager, banks carried out Aryanization during the years before 1938 'as it was compatible with business requirements' (p12). At the same time, Feldman allows that CA management only partially succumbed to this pressure and although made steps towards Aryanizing their bank, they pursued 'a dual policy of keeping Jews when necessary for operations' (p12). The same applied to the Länderbank: even though it was German-owned, it remained 'the most Jewified bank' until 1936 (p402).

Limited progress towards Aryanization, however, was no longer acceptable from 1938. After the Anschluss, all banks became overtly anti-Semitic and were closely involved in elimination of Jewish presence. Feldman's comprehensive investigation reveals that banks, following political orders, introduced policies whereby Jewish customers were discriminated against and Austrian financial institutions 'became a watchdog for the authorities with respect to emigrating customers' (p118).

Increasing German influence helped these Austrian banks regain some of their former regional status, lost in 1931. By 1939 the CA and the Länderbank were both under German control and the two institutions spearheaded German political and economic interests in Austria and beyond. The Länderbank Wien was a formerly secondary bank under the name Mercurbank which, through a number of mergers, became an organization, more powerful than ever before. The CA also substantially gained from its German connections as it could re-establish its former sphere in the old territories of the Austro-Hungarian Monarchy which it had gradually lost between 1918 and 1931. Both institutions participated in the financing of rearmament programs and the war effort. German control was good for business.

Perhaps this is the reason why 'there is no evidence whatever that the CA or other banks had any qualms about having to play' a role in the confiscation of Jewish assets and the deportations (p121), as Feldman aptly illustrates through a number of case studies. The Länderbank resisted German pressure to reduce its Jewish staff because it was afraid of

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Jewish customers' run on the bank. When the banks sought to resist German orders on Aryanzation and anti-Jewish policies, it was because of the risk of jeopardizing the interests of their own financial institution. Feldman's account sadly implies that moral considerations played no role.

Feldman's work is an outstanding piece of research and its only weakness is that its structure and style prevent it from becoming more widely read. It is an exceptionally rich and thoughtful account but its wider importance lies in the fact that Austria now has a reference point based on which banks' past activities can be assessed, culprits and victims can be identified, and justice can be sought. Not only researchers but the wider public should be aware of this.

Several countries whose banks had come under Nazi, fascist or communist influence in the past century are still missing such an essential point of reference. The lack of fact-based historical research leads to misinterpretations of our past and provides a fertile ground for politically-driven explanations. Further, failure to make justice on private property matters may create bad precedents and weaken ownership rights and curb long-term economic development. Feldman's book is thus an inspiration that where similar accounts are missing, researchers should roll up their sleeves and get to work.

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