Introduction

When the Tietz/Zwillenberg family had to give up their department store group at the end of 1934, it was the largest of the ever-increasing "Aryanizations" at that time. The name "Hermann Tietz," one of the most prestigious in German retail, was ostracized by the National Socialists and disappeared from cities, commercial registers and later also from historical memory. The department stores that were sold continued to function; they now belonged to Hertie Waren- und Kaufhaus GmbH, whose name indicated the origin of their assets. But this was no longer an issue, not even when it would have been possible again to inquire about it after the country was liberated. With the takeover by the managing director Georg Karg, who was appointed in 1933, Hertie had become the concern of another family, and in West Germany during the "economic miracle" of the 1950s and 1960s, this name stood for a new consumer world just as naturally as Hermann Tietz had done in earlier times. After Hertie concluded a settlement with the Tietz/Zwillenberg family in 1949, questions about past injustice no longer seemed to be permissible.

At Hertie, people acknowledged the tradition that was associated with the previous name. However, there was no talk of "Aryanization", and since its conditions remained unknown, Hertie was able to present it unchallenged in a euphemistic narrative: the Hermann Tietz Group had perished in the global economic crisis of the early 1930s and was therefore taken over in a strictly non-politically motivated rehabilitation. The Tietz/Zwillenberg family had left the country with a generous severance payment and was also treated extremely favorably in the settlement with the Hertie Group. Since the 1990s at the latest, source-based studies have left no doubt that the Tietz/Zwillenberg family had lost their department store group due to "Aryanization" carried out by Hertie. However, a comprehensive reappraisal was still pending, and the subsequent story of the *Wiedergutmachung* (compensation) remained completely obscure. It has now been almost 90 years since the "Aryanization Agreement" and more than 70 years since the settlement.

Why has the reappraisal not happened until now? The period of time is too long to be accounted for by the collective repression of the brown past in post-war German society. Even later, when the role of companies during the Nazi era was critically perceived and widely examined, the department store companies received little attention. It is now known that this industry was affected like no other by "Aryanization" and that the careers of almost all the post-war goods and mail-order entrepreneurs were based on it. It is all the more astonishing that, with few exceptions, such as the reports on the Schocken and Wertheim depart-

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ment store groups that appeared in the 1990s, there has hardly been any academic analysis on the fate of the Jewish department stores under National Socialism.[1]

Contributing no doubt to this lack of critical attention is the fact that in the case of Hertie the firm no longer existed when the persistent silence of the companies in question about their role during the National Socialism era was first criticized on a broad societal basis around the mid-1990s. After the takeover of Hertie by Karstadt in 1994, there was a lack of structure and sensitivity for shared historical remembrance. Company anniversaries no longer provided an opportunity for self-reflection, and critical inquiries from international business partners, which provided necessary food for thought in many still-viable companies, also disappeared. Nevertheless, several institutions, such as the non-profit Hertie Foundation (Gemeinnützige Hertie-Stiftung), the Karg Family Foundation (Karg'sche Familienstiftung), and the Karg Foundation (Karg-Stiftung), still operated in the Hertie company's tradition. However, in the day-to-day work of these foundations, which were founded only in the Federal Republic, the history of the department store did not come into focus; this was most likely also because there was no personal connection to the company. In the meantime, there were apparently considerations about conducting research into the history of Hertie and preparing a biography of the foundation's founder. However, the projects remained stalled in the concept phase. There are no personal documents, writings, or correspondence relating to Georg Karg in particular that would make him sufficiently visible historically. To date, only a few subchapters in Simone Ladwig-Winters' study on Wertheim, published in 1997, have offered source-based explanations for the "Aryanization" of the Hermann Tietz company.[2]

The fact that a comprehensive study of the Nazi history of Hertie and the discontinued Hermann Tietz OHG is now being published is due to a change in thinking, which, however, had to be actively initiated. The impulse goes back to a group of students and alumni from the Berlin Hertie School who came together in 2018 to form the Her.Tietz initiative. They called on the Hertie Foundation, as the sponsor of the educational institution, not only to teach democracy, but also to assume civil responsibility for the National Socialist past. Their critical inquiries into the origins of Hertie's name and assets as well as the fate of the Jewish owner families gained momentum in the German press and ultimately prompted the foundation's board of directors to take up the issue. Since then, the Hertie Foundation has shown itself to be seriously involved in researching the burdens of its past. In 2020, the board commissioned the Gesellschaft für Unternehmensgeschichte in Frankfurt to identify independent historians to undertake a source-based analysis and assessment of the history of Tietz and Hertie during the Nazi era. As a result, the foundation granted the authors unrestricted access to all relevant documents and complete freedom in evaluating and formulating their findings. This study represents the first independent investigation into the corporate history of the department store group and its Jewish and non-Jewish owners during the period of National Socialism.

The scope of the investigation, however, is not limited to the years 1933 to 1945 and thus to the loss of the Tietz family's commercial and private assets in the context of "Aryanization" and state confiscation. The perspective expands beyond the epochal threshold of the end of the war to the disputes that occurred in the Federal Republic over potential *Wiedergutmachung* for the injustice. An analytical arc is drawn to trace the history of the encounter between those responsible for Hertie and the Tietz family during the historically tense period between appropriation and reappraisal, dictatorship and youthful democracy.

The study itself is divided into six sub-chapters, which are grouped along the main themes. The first chapter describes the beginnings of Hermann Tietz OHG and the company's almost unbridled rise until the global economic crisis of 1929. It is important to clarify whether and to what extent the department store group actually ran into a liquidity crisis before the Nazis came to power. Had Hermann Tietz OHG actually become a case for restructuring due to the urge to expand too quickly, as was rumored in 1933 and also in the post-war period?

The second section follows directly on this question by assessing the consequences of the anti-Jewish boycotts and then tracing in detail the individual steps of the "Aryanization" of the company in 1933 and 1934. The focus is not only on reconstructing the circle of those involved, but also on asking to what extent the new Hertie management worked with banks, state and party authorities to force the Tietz family out of the company. What role did Georg Karg play, who advanced from purchasing manager to managing director? The financial details of the transfer of ownership are also unclear; what was the value of the group's numerous operating department stores and real estate companies, how were they assessed, and how were the claims and obligations between the OHG, the family, and Hertie dealt with?

The ensuing third chapter explains how Georg Karg managed to gain complete ownership of Hertie GmbH over the course of the 1930s. What motivated him to take this step? Where did his capital come from to buy out the banks' shares, and why did the banks ultimately release the department store group into his control?

While the focus of the study up to this point has been primarily on an analysis of buyer behavior, the perspective changes in chapter four to the fate of the Tietz family after the sale of their company. It shows how the individual branches of the family tried to protect themselves and their assets from the Nazi regime. The scope of their lives and work eventually narrowed in line with the radicalizing Nazi Jewish policy to such an extent that by 1938 at the latest there was hardly any real alternative but emigration. In this context, the study addresses the ruthless confiscation and exploitation of all property values, private real estate, and the personal belongings of the Tietz family remaining in Germany by the Nazi state and its numerous accomplices.

The four major chapters dealing with the period of National Socialism are followed by two sections that first look at the reconstruction and reorganization of Hertie in the immediate post-war period and finally problematize the scope and practices of private restitution and state compensation. The study documents that a private settlement between Georg Karg and the Tietz family came about quite quickly, as early as 1949, in which the parties faced each other in changed roles: as those liable for restitution and those entitled to restitution. Here too, the aim of the investigation is to reconstruct the financial compensation regulations in detail. As with the analysis of the "Aryanization processes", the particular focus is on a critical examination of the motives, interests, and patterns of action of those involved. The study is thus able to show how the parties managed to find common ground for negotiations about restitution, despite their relationships being heavily burdened by the past.

It is, therefore, equally economic, political, and social categories of structure and action that characterize our methodological approach to this case study and our attempt to overcome the classic determinism between structuralism and intentionalism in Nazi research.[3] In the meantime, extensive economic history research has very clearly elaborated that the Nazi system created numerous incentives and enabling structures for German entrepreneurs to become actively involved in the process of "Aryanization" or, in the absence of business options, to willingly allow themselves to be involved in the accompanying activities.[4] The Hertie case is undoubtedly one of the very early "Aryanization cases" in National Socialism. It comes at a time when repressive measures of the state were particularly noticeable in the department store industry, but the requirements for the transfer of ownership had not yet been systematically determined.[5] There was still scope for private negotiation concerning the takeover conditions. What was even more important for the development of "Aryanization" was the behavior of the acquirer towards the Jewish "business partners." In his groundbreaking studies more than twenty years ago, the historian Frank Bajohr called for differences in the behavior patterns of buyers to be taken seriously. Henceforth it becomes important to take into account to what extent the loss of moral and civilizational standards of behavior, which was evident early on in politics and society, also resulted in an erosion of traditional commercial etiquette in the field of business.[6]

Our study follows this microhistorical approach by not only reconstructing the business techniques of the “Aryanization transfer”, but at the same time working out the motives and forms of action of the people involved. So where can Georg Karg’s actions be placed in the broad spectrum of possible motives, which ranges from ideological drives to unscrupulous financial enrichment to passive benefit from the other person’s predicament? Was Karg simply climbing aboard the attacks already launched against the Tietz family, or was he an active driver of the process? Similar questions regarding incentives and intentions can be formulated for the banks involved in “Aryanization”. By just determining the purchase price for a company that was presumably deeply affected by the economic crisis and the anti-Jewish boycotts, the tension between commercial morality and business calculations can be determined. However, the question of the fairness of the purchase price and the profits of the “Ariseur,” which is more than understandable from today’s perspective, remains extremely difficult to answer historically. The investigative basket of solid evidence is only sparsely filled with circumstantial evidence.[7] However, a reconstruction of the negotiation processes and the controversies inherent in them that are as detailed as possible can at least clarify the framework for action and the principles of evaluation. It is thus important to take a close look at the process of “Aryanization” in order to work out the peculiarities of the Hertie case, uncover the practices of appropriation, and assess the intensity of the interaction with anti-Jewish repressive measures. This is the highest level of historical transparency that can be achieved to not only analyze decision-making processes, but also to make visible the perceptions, values, and attitudes behind them in conducting business under a dictatorial regime.

Since there is no cohesive archive of records pertaining to Hertie, the task of this project was to use all available sources that could be accessed through extensive research. The program had to be carried out with some delay, due to archive access and travel restrictions during the pandemic. In addition to the relevant holdings in public archives, especially the Federal Archives in Berlin, the State Archives in Berlin, and the State Archives in Munich, files from the archives of Commerzbank AG and the Warburg Foundation proved to be productive. The inventory of historical documents at the Karg Family Foundation, files from the Berlin Compensation Board (Berliner Entschädigungsbehörde), and the files from the Liechtenstein State Archives in Vaduz relating to the emigration of the Tietz family were also accessible. What proved to be particularly valuable were the documents recorded by the daughter of Georg Tietz, Rösli (Roe) Jasen, and his grandchildren June and Henry Jasen. With the much-appreciated support of the family, these documents were evaluated at the Leo Baeck Institute (LBI) in New York. The editors are also indebted to Charlotte Knobloch for a contemporary witness interview and an instructive insight into documents from the law firm of her father Fritz Neuland, who represented the Tietz/Zwillenberg family in the restitution proceedings against Hertie. On the other hand, Hugo Zwillenberg's estate, which was handed over to the Zwillenberg Foundation (Berne) within Helga Zwillenberg's estate, could not be used because it is locked until the planned handover to the Leo Baeck Institute branch in the Jewish Museum Berlin.

The history of a family business is always the history of a family. The "Aryanization" of the Hermann Tietz company by Hertie, the settlement agreed upon between both sides, and the respective consequences are the story of two entrepreneurial families – on the one hand the Tietz/Zwillenberg/Jasen family, on the other the Karg family. In the case of the former, the history runs through three generations: from Betty Tietz, who had already witnessed the founding of the Hermann Tietz company in 1882 by her future husband Oscar and her foster father Hermann, through the generation of the owners Georg and Martin Tietz and Hugo Zwillenberg, who were forced out of their company, emigrated and settled with Hertie in 1949, until the next generation including Rösli (Roe) Jasen, Hans Herrmann Tietz, Lutz Oscar and Helga Zwillenberg, who emigrated in their youth and later had to deal with the Hertie Group concerning the restitution of assets. On the Karg family side, only Georg Karg took on an active role, initially as managing director of Hertie, then from 1937 as head of the group, which he effectively led until his death in 1972.

The forced displacement of the Tietz family from their company stands like no other example of the early "Aryanizations" in the Nazi era, the significance of which was underestimated for a long time. Nevertheless, it cannot be considered a model.[8] In this book, it becomes clear that the process of the Tietz family's "Aryanization-related" asset losses spanned a period of over nine years and varied in form from the loss of company assets, to fiscal plunder, to the confiscation of private collections. This investigation thus expands the recently improved level of knowledge regarding the destruction of the so laudable Jewish department store entrepreneurship.[9]

It remains to be hoped that this book will encourage further research into the history of department stores in Germany and finally give the legacy of their owners and their families, who were persecuted during the Nazi era, a permanent place in German economic history and culture of remembrance.