

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Export Empire

German imperialism in Europe evokes images of military aggression and ethnic cleansing. Yet even under the Third Reich, Germans deployed more subtle forms of influence that can be called soft power or informal imperialism. Stephen G. Gross examines how between 1918 and 1941 German businessmen and academics turned their nation – an economic wreck after World War I – into the single largest trading partner with the Balkan states, their primary source for development aid, and their diplomatic patron. Building on traditions from the 1890s and working through transnational trade fairs, chambers of commerce, educational exchange programs, and development projects, Germans collaborated with Croatians, Serbians, and Romanians to create a continental bloc, and to exclude Jews from commerce. By gaining access to critical resources during a global depression, the proponents of soft power enabled Hitler to militarize the German economy and helped make the Third Reich's territorial conquests after 1939 economically possible.

STEPHEN G. GROSS is an Assistant Professor in the Department of History and the Center for European and Mediterranean Studies at New York University.

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

NEW STUDIES IN EUROPEAN HISTORY

Edited by

PETER BALDWIN, University of California, Los Angeles

CHRISTOPHER CLARK, University of Cambridge

JAMES B. COLLINS, Georgetown University

MIA RODRÍGUEZ-SALGADO, London School of Economics and
Political Science

LYNDAL ROPER, University of Oxford

TIMOTHY SNYDER, Yale University

The aim of this series in early modern and modern European history is to publish outstanding works of research, addressed to important themes across a wide geographical range, from southern and central Europe, to Scandinavia and Russia, from the time of the Renaissance to the present. As it develops the series will comprise focused works of wide contextual range and intellectual ambition.

A full list of titles published in the series can be found at:
www.cambridge.org/newstudiesineuropeanhistory

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Export Empire

*German Soft Power in Southeastern Europe,
1890–1945*

Stephen G. Gross

New York University



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107112254

© Stephen G. Gross 2015

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2015

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library

ISBN 978-1-107-11225-4 Hardback

ISBN 978-1-107-53148-2 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

For my parents, Anne and Jerry

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Contents

| | |
|--|----------------|
| <i>List of figures and tables</i> | <i>page</i> ix |
| <i>Acknowledgements</i> | xi |
| <i>List of abbreviations</i> | xiv |
| <i>Map: Europe during the interwar period, 1919–1939</i> | xv |
| Introduction: the foundations of soft power and informal empire | 1 |
| Part I German power in the Wilhelmine Empire and the Weimar Republic | |
| 1 The legacy of Wilhelmine imperialism and the First World War, 1890–1920 | 27 |
| 2 The economics of trade: building commercial networks in Southeastern Europe, 1925–1930 | 68 |
| 3 The culture of trade: cultural diplomacy and area studies in Southeastern Europe, 1925–1930 | 107 |
| 4 The politics of trade: <i>Panuropa</i> , <i>Mittleuropa</i> , and the Great Depression, 1929–1933 | 139 |
| Part II Nazi imperialism | |
| 5 Stabilizing the Reichsmark bloc: commercial networks in the Third Reich, 1933–1939 | 181 |
| 6 Economic pioneers or missionaries of the Third Reich? Cultural diplomacy in Southeastern Europe, 1933–1939 | 220 |
| 7 Forging a hinterland: German development aid in the Balkans, 1934–1940 | 253 |
| | vii |

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

| | | |
|------|---|-----|
| viii | Contents | |
| 8 | The Second World War: informal empire transformed, 1939–1945 | 292 |
| | Conclusion: Imperialism realized? | 330 |
| | <i>Bibliography</i> | 342 |
| | <i>Index</i> | 372 |

Figures and tables

Figures

| | |
|---|---------------|
| 0.1 Matrix of power | <i>page</i> 8 |
| 2.1 Yugoslavian imports by source, 1920–1930 | 104 |
| 2.2 Yugoslavian exports by destination, 1920–1930 | 105 |
| 2.3 Romanian imports by source, 1920–1930 | 105 |
| 2.4 Romanian exports by destination, 1920–1930 | 106 |

Tables

| | |
|--|-----|
| 1.1 Romanian prewar trade | 45 |
| 1.2 Serbian prewar trade | 46 |
| 1.3 German exports to Southeastern Europe and other major trade partners | 55 |
| 1.4 German imports from Southeastern Europe and other major trade partners | 56 |
| 1.5 Direction of Romanian and Yugoslavian foreign trade | 57 |
| 2.1 Participation of foreign merchants at Leipzig spring trade fair | 82 |
| 2.2 Yugoslavian trade with Switzerland and Germany | 90 |
| 2.3 Yugoslavian imports from Germany by sector | 91 |
| 2.4 Total Yugoslavian imports from all countries by sector | 91 |
| 2.5 Romanian imports from Germany by sector | 97 |
| 2.6 Yugoslavian trade by destination | 103 |
| 2.7 Romanian trade by destination | 104 |
| 4.1 German share of Central European trade, 1928 | 155 |
| 4.2 German trade by destination, 1929–33 | 172 |
| 5.1 German imports by region or country | 192 |
| 5.2 German exports by region or country | 192 |
| 5.3 German imports of raw materials vital to war, 1933–8 | 196 |
| 5.4 German domestic supply of non-ferrous metals, 1934–8 | 196 |

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

| | | |
|------|---|-----|
| x | List of figures and tables | |
| 5.5 | Nutritional supply estimates from Institute of Business Cycle Research | 197 |
| 5.6 | Participation by country at the Leipzig spring fair | 209 |
| 5.7 | Export sales at Leipzig fall and spring fairs | 209 |
| 5.8 | Romanian imports by sector and by country, 1938 | 215 |
| 5.9 | Yugoslavian imports by sector and by country, 1938 | 216 |
| 5.10 | German imports from Southeastern Europe by commodity | 217 |
| 5.11 | Machinery as a proportion of German exports, 1938 | 218 |
| 5.12 | German share of Southeastern Europe's foreign trade | 219 |
| 5.13 | German machinery exports to Romania | 219 |
| 7.1 | Soybean cultivation in Southeastern Europe | 276 |
| 7.2 | German agricultural machinery exports to Southeastern Europe | 277 |
| 7.3 | Romanian and Yugoslavian foreign trade as a percentage of GDP | 289 |
| 8.1 | German trade with Romania and the former Yugoslavia, 1941–4 | 327 |
| 8.2 | German clearing account deficits with Southeastern Europe, 1941–4 | 327 |

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Acknowledgements

It is a pleasure to thank the many people who have made this book possible over the past eight years. From the start, UC Berkeley offered a wonderful environment to design and begin this project. My initial interest in Germany's economic relations with Southeastern Europe stemmed from a paper I wrote for Gerald Feldman in the fall of 2005. He guided me through the tangled history of German political economy and he opened many doors, intellectually and professionally, that otherwise may have remained closed. I am grateful to have experienced his mentorship at Berkeley. I am deeply indebted to John Connelly, who helped me through the difficult stages of this project after Gerald passed away. I also owe thanks to Anthony Adamthwaite, who gave invaluable advice on the diplomacy of the interwar decades. In his seminar on comparative political economy, J. Nicholas Ziegler introduced me to many of the ideas about empire and trade that inform my research. Jan de Vries pushed me to think critically about Albert Hirschman's ideas of power, and about the role of finance in international trade. Margaret Lavinia Anderson guided me through the early, brainstorming stage of this project. Jonathan Zatin, a Berkeley alum who advised me from afar, was an outstanding resource on economic history, and he helped me think through the sensitive issues of anti-Semitism and "Aryanization." Finally, the graduate student community at Berkeley provided a warm setting to test out my ideas before they were fully formed. Mark Sawchuk, Joseph Bohling, Eliah Bures, Robert Nelson, Grahame Foreman, and Mark Keck-Szajbel all waded through early versions of my chapters.

If UC Berkeley helped launch this project, my colleagues at New York University provided the support and the encouragement to complete it. I am hugely thankful to Larry Wolff, who has been a mentor of sorts since I arrived in New York, who read the manuscript on numerous occasions, and who provided a stimulating intellectual setting at the Center for European and Mediterranean Studies. Mary Nolan gave outstanding help during the revision process, pushing me to clarify the larger questions that I address, and I have used much of her scholarship throughout

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

xii Acknowledgements

this book. Ed Berenson and John Shovlin have all read parts of the manuscript and given invaluable feedback. Barbara Weinstein, our chair, was truly supportive as I finalized the book.

Outside Berkeley and NYU many other scholars have read, critiqued, and ultimately improved my work. I want to thank Adam Tooze for inviting me to present the near final product at Yale's Modern European History colloquium, and for guiding me to refine how I thought about soft power and informal empire. David Hamlin gave crucial guidance on foreign affairs and *Weltpolitik* during the Wilhelmine Empire. While I was doing the bulk of my research, Arnd Bauerkämper warmly welcomed me into his seminar on European comparative history at the FU in Berlin. Carola Sachse and Carl Freytag organized several conferences in Vienna, which provided one of the first opportunities to present my research. Ian Innerhofer's hospitality made these conferences and my visits to Vienna a joy. At the German Studies Association in 2009 Pieter Judson and Jessica Gienow-Hecht offered useful insights into how German cultural diplomacy operated and was received among the nationalities of Central and Southeastern Europe. The German Historical Institute's Trans-Atlantic Doctoral Seminar, organized by Roger Chickering and David Wetzel, allowed me to discuss cultural diplomacy among graduate students from America and Germany. I also benefited from feedback from my colleagues at the Berlin Program: Steven Chase Gummer, Mari Webel, Karin Goihl, and others. Numerous others who have at various stages contributed crucial and constructive criticism include Volker Berghahn, Barry Eichengreen, Jennifer Zahrt, Brendan Karch, Mirna Zakić, Christopher Molnar, John Conybeare, Jonathon Speed, and the anonymous reviewers at Cambridge University Press. All of the errors in this book are, needless to say, my own.

This book would not have been possible without funding from a variety of organizations. The Institute for European Studies at Berkeley provided generous financial support, both for my first years of coursework and for a pre-dissertation grant that introduced me to the Berlin archives in 2006. The Fulbright Program and the Berlin Program for Advanced German and European Studies provided the financial assistance for me to conduct the bulk of my research in 2007, 2008, and 2009. The DAAD funded a follow-up summer research trip in the summer of 2012, when I gathered materials for the final chapter on the Second World War.

And to all my friends and family who have helped me keep perspective while writing this book, I want to thank you for your loving support. My wife Rachel has been the most loving, joyful partner I could imagine. Thank you so much for supporting me through the many weekends and nights I spent on this project. My son Duncan, who was born early, three

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Acknowledgements

xiii

weeks before this manuscript was due, gave inspiration that helped me on the final leg of the writing. Finally, my mother and father have always encouraged me to do what I love, and they have nurtured my passion for history from an early age. I cannot imagine having completed this project without them. This book is dedicated to them.

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)

Abbreviations

| | |
|-------|--|
| BA | Bundesarchiv, Berlin |
| BAK | Bundesarchiv, Koblenz |
| DAAD | Deutscher Akademischer Austauschdienst/German Academic Exchange Service |
| DAI | Deutsches Auslands-Institut |
| DRHK | Deutsch-Rumänische Handelskammer |
| GStPK | Geheimes Staatsarchiv Preussischer Kulturbesitz, Berlin |
| HAS | Hoover Archive, Stanford |
| IMSWf | Institut für Mittel- und Südosteuropäische Wirtschafts- forschung |
| LMA | Leipzig Messeamt |
| MEI | Mitteleuropa-Institut |
| N | Nachlässe |
| MWT | Mitteleuropäische Wirtschaftstag |
| PAAA | Politisches Archiv des Auswärtigen Amts |
| RDI | Reichsverband der Deutschen Industrie |
| SEI | Südosteuropa-Institut, Leipzig |
| SSAD | Sächsisches Staatsarchiv, Dresden |
| SSAL | Sächsisches Staatsarchiv, Leipzig |
| TUD | Technische Universitätsarchiv, Dresden |
| UAL | Universitätsarchiv, Leipzig |
| VHA | Villa Hügel Archiv, Essen |
| VDA | Verein für das Deutschtum im Ausland |
| VSI | Verband Sächsischer Industrieller |

Cambridge University Press

978-1-107-11225-4 - Export Empire: German Soft Power in Southeastern Europe, 1890–1945

Stephen G. Gross

Frontmatter

[More information](#)



Map 1 Europe during the interwar period, 1919–1939, including German Economic Interests in Southeastern Europe and Greater Germany after 1938