The Hungarian Historical Review

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The Holocaust in Hungary in Contexts
The Holocaust in Hungary in Contexts. New Perspectives and Research Results

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Special Editor of the Thematic Issue

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Local Motives for Deporting Jews
Economic Nationalizing in Szatmárnémeti in 1944

The article provides a case study of Szatmárnémeti (Satu Mare, today in Romania) during World War II by using the concept of economic nationalizing. I investigate the motifs behind the de-Jewification and re-Hungarianization of the city and show that by 1944 the Hungarian leaders were convinced not only that the seizure of Jewish property would significantly improve their own situation, but also that the gradual implementation of this policy was the key reason for its previous failure. The article also discusses the ways in which the Hungarian elite aroused expectations among the Hungarian public that Jewish property would be redistributed as a “national gift” and the eagerness of members of practically all sectors of Hungarian society to acquire property that had been left behind by the deported Jews. I thereby argue that the relatively strong local support behind the deportation of Jews was driven, above all, by the economic interests of the local Hungarian community. The entire economy of the city was de-Jewified and re-Hungarianized when the Jews were deported in the summer of 1944. However, I also show that, ambitious plans for social redistribution notwithstanding, major redistribution of assets took place primarily within the housing sector. In general, the gains of the beneficiaries were sharply exceeded by the human and material losses for the city as a whole.

Keywords: The Holocaust in Hungary, economic history, economic nationalism, ethnic borderlands

This article addresses the question of responsibility and collaboration in the ethnic borderlands of Hungary in World War II by using the concept of economic nationalizing. The concept is applied to a case study of the city of Szatmárnémeti (Satu Mare, today in Romania, near the Hungarian–Romanian border) by using formerly unexplored sources. I will thus investigate how the “de-Jewification” and “re-Hungarianization” of Szatmárnémeti was implemented in 1944. This means examining why Hungarian leaders, authorities and civilians supported the deportation of Jews. In other words, the account will not provide a comprehensive explanation of the reasons for the murder of the Jews by Nazi Germans (with the active collaboration of Hungarians). Instead, I will concentrate primarily on the economic motives for Hungarian support of the deportation and also on the closely interrelated question of its actual economic impact.

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I define economic nationalizing as an institution of a social practice of economic and political principles and processes that influence and are influenced by nationalism and national identities. My approach to the study of economic nationalizing is inspired by Paul Brass. It emphasizes the importance of how ethnic and national identities are instrumentalized, constructed and used by the elite to gain political power and economic advantages. Ethnic identity and nationalism arise out of specific interactions between the leaderships of the nationalizing states and minority elites. Thus, ethnic and national identities are social and political constructs, which are created by elites who draw upon and distort cultural attributes for political and economic reasons. Economic nationalizing is a dynamic process, in which national and economic factors interact. To stress the dynamic aspect and the social force behind this process I use the term “nationalizing” (as well as Romanianizing, Hungarianizing) instead of “nationalization.”

The social practice of economic nationalizing is discernible in formal and explicit ways, as in regulations or laws, or implicitly in the form of social rules. One fundamental principle of nationalism is to improve the political and economic positions of the core members of the nation relative to and at the expense of members of other nations and minorities. This definition of economic nationalizing is inspired by Rogers Brubaker’s concept of “a nationalizing state,” which he defines as a nation-state of and for a particular ethno-cultural nation—the core nation—whose state promotes and protects their language, culture, demographic position, economic welfare and political hegemony.

Economic nationalism has been a driving force in the region of East-Central Europe since the nineteenth century, as consecutive regimes have striven to create ethno-national economies, including dualist Hungary and interwar Romania. The ruling nation usually used its political power to establish an ethnocracy to maximize economic advantages for itself at the expense of minorities. During the dualist period, the Jews of Hungary were included in the ethnic category of Hungarian speakers (Magyars) with the aim of Magyarizing the economy at the expense of the so-called nationalities. So the economy of Szatmárnémeti city was completely Magyarized during the dualist period.

In 1920, the city was ceded to Romania and renamed Satu Mare, despite the fact that it had a large Hungarian-speaking majority, and a process of Romanianizing began. Romanianizing was radicalized at the beginning of the 1930s, and the public sector was almost completely Romanianized at the expense of minorities and especially Jews. In the mid-1930s, efforts to Romanianize were focused on the core parts of Romania, while the Jewish share of the economy in the ethnic borderlands, such as Satu Mare, grew. In 1940, Romania underwent a major revision of its borders. It lost Northern Transylvania (including Satu Mare), Bessarabia and Northern Bukovina. In the remaining parts of Romania the Antonescu regime continued with Romanianization, with the intention of completely Romanianizing real estate, businesses and jobs, though in the end these efforts largely failed.4

When northern Transylvania was ceded to Hungary in 1940, a process of re-Hungarianization of the economy was immediately launched. Re-Hungarianization included redistributing economic assets and resources owned by Jews among so-called Christians, a practice that was referred to as de-Jewification. However, in the Hungarian–Romanian borderland this process was intended also to strengthen the position of Hungarians at the expense of Romanians. Szatmárnémeti had around 13,000 Jews out of a total population of 52,000. The majority of the Jews were Orthodox, and the Rebbe Joel Teitelbaum, the first Grand Rebbe of the Satmar Hasidic dynasty, had turned the city into an important Orthodox center. The generation of Jews that had lived in the city during the Dualist period remained deeply attached to the Hungarian language and Hungarian culture, despite 20 years of Romanian rule. Nonetheless, during World War II the category “Hungarian” excluded Jews on “racial” grounds and other nationalities, mainly Romanians, on linguistic grounds. Hungary imposed anti-Jewish legislation, but the implementation of this legislation proceeded slowly.

The Hungarian elite in the city of Szatmárnémeti aimed to remove Jews from the economy, while at the same time a political economy of exploitation developed in which the Hungarian elite made large profits at the expense of Jews. Officially and legally so-called “straw man” arrangements were banned, but in reality leading Hungarians were profiting from this type of arrangement. The straw man (stróman from the German Strohmann) or Aladár was typically a

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Hungarian Christian who, in an effort to circumvent the anti-Jewish legislation, formally took over Jewish businesses in exchange for a share of their profits.\textsuperscript{5}

As a result of the pro-Magyar attitudes of leading Jews in the Dualist period and during the interwar period, some of them were defined as Hungarians and exempted from the anti-Jewish laws. One important example was the Princz family, who were one of the wealthiest Jewish families in the city and owners of the Princz factory. They were exempted because they “had behaved patriotically with regards to the Hungarian cause” during the interwar Romanian period, i.e. they had supported Hungarian irredentism and ethnic Hungarian politics and the ethnic Hungarian economy and culture. Armin Princz, the head of the family, had been a leader of the ethnic Hungarian party in the interwar period. This means that some leading Jews and Hungarians were collaborating on the re-Hungarianization of the economy, which clearly adds to the complexity of the situation.\textsuperscript{6} According to the law, these Jews fell under the anti-Jewish legislation, but they were exempted because of their national merits.

On March 19, 1944, Nazi Germany occupied Hungary. The occupation was motivated in part by the fact that the Hungarian government had tried to negotiate an armistice with the Allies. A second reason was that the “Jewish question” in Hungary remained “unresolved” according to the Nazi German criteria. The situation of Jews in Hungary had been deteriorating up to 1944, but the large majority of Jews was still alive despite the fact that tens of thousands had been killed in instances of mass murder. Additionally, Jews possessed a significant share of the Hungarian economy, as they did, for instance, in Szatmárnémeti, despite ever more severe discrimination. The re-Hungarianization process hit primarily the lower and middle class stratum of Jews, while more wealthy Jews were able to maintain their positions.

Nazi Germany’s plan for eliminating the Jews in occupied Hungary was to expropriate and deport them with the assistance of Hungarian leaders and authorities. Nazi German leaders’ targeting of Hungarian Jews was part of their larger Final Solution, which aimed at a complete de-Jewification and the killing of Jews in territories under Nazi control. Still, leading Nazi Germans took personal advantage of the situation and were occasionally willing to spare the lives of individual Jews in exchange for large bribes.

\textsuperscript{6} Ibid., 336.

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The German occupation and takeover of Hungary went quickly and smoothly. The Hungarian regent Miklós Horthy remained in power and appointed a pro-German Prime Minister, Döme Sztójay. A group of 600 Germans under the leadership of Adolf Eichmann arrived to implement the Final Solution. The area east of the river Tisza, including Szatmárnémeti, was declared a war zone under German command. The declaration of war zone was a way of legitimizing the deportation of the “internal enemies,” i.e. one of its functions was to help strengthen the image of the Jews as enemies who supported communism. The plan was first to deport Jews from this eastern territory because the front and the Red Army were advancing westward.

Hungarian and German interests overlapped in their desire to remove the Jews. In a perverse misuse of a term that in principle refers to religious belief, the Hungarian authorities used the word “Christian” to exclude Jews on a racial basis. The inclusion of the Romanians in the privileged category of “Christians” reduced the Hungarian–Romanian tensions, as the Romanians were not discriminated against de jure. Still, the Hungarian leaders regarded Hungarian ethno-national interests as paramount. I will therefore use the term “Hungarian” when referring to a person who was defined by the law as non-Jewish, although the Hungarian authorities admittedly employed the term “Christian.”

Economic and National Motives of the Holocaust

Research on the Holocaust in general has pointed to the importance of economic and national factors. Martin Dean has argued that the confiscation of Jewish property was linked to the physical process of destruction. Several historians have applied a functional approach to explaining the Holocaust in Hungary, stressing the importance of economic and class factors. Historians

7 Gábor Kádár and Zoltán Vági, Self-Financing Genocide: the Gold Train, the Bechor Case and the Wealth of Hungarian Jews (Budapest: Central European University Press, 2004), 85–86.
8 Magyar Nemzeti Levéltár Országos Levéltára (MNL OL) [National Archives of Hungary], 150 IV. k.fő 30 tétel Szatmárnémeti, 773–74, 789.
Gábor Kádár and Zoltán Vági have described the looting of Jewish property as a “self-financing genocide,” since the Hungarian state used the property to pay for the deportations and the mass killing of Jews. Krisztián Ungváry stresses in his latest major study on the Horthy period that “cold and rational economic calculations” lay behind the deportations. Ungváry claimed that Hungarian authorities framed the solution to the so-called Jewish question as a “major social transformation” through the full-scale Hungarianization of Jewish property. Other historians, such as Mária M. Kovács and Victor Karády, have concluded that economic anti-Semitism initially developed during the interwar period, alongside conflicting economic-occupational interests and social class competition between Jews and Christians over material resources.

Michael Mann contended that without Nazi German power, the Jewish genocide would not have been attempted in Hungary, even though almost all local perpetrators were Hungarian. The Hungarian regime saw the ethnic cleansing of the country as desirable primarily for economic reasons, but was divided over the means. Mann argues that the core perpetrators were ideologically motivated by nationalism, defined in ethnic and racial terms, but when the cleansing took the form of violent deportation, this created massive opportunities for profit. Many Hungarians were thereby sucked in by materialistic motives that were legitimized by state agencies.

Regarding the expropriation of Jewish assets during the Second World War, Kádár and Vági have argued that the Hungarian government was successful in looting but almost completely failed to organize the redistribution. Thus, the looting, of the Jews could not alleviate the economic problems faced by the Hungarian “nation,” even though this was one of the policy aims. Kádár and Vági believe, moreover, that this re-allocation scheme of Jewish jobs and property, which included about one-fifth of the national wealth, could have

11 Kádár and Vági, Self-Financing Genocide.
15 Mann, The Dark Side of Democracy, 302.
16 Kádár and Vági, Self-Financing Genocide, 85.
resulted in better living standards and an economic upturn for non-Jewish Hungarians; however, because of the chaotic wartime conditions, the scheme had the opposite effect, further eroding the Hungarian economy and society.17

Studies on the factors of economic anti-Semitism and nationalism have focused relatively little on the annexed territories, including Northern Transylvania in 1940–44, despite the fact that the physical destruction of Jews was more thorough there than in the core areas of Hungary.18 One notable exception is the work of historian Ferenc Sz. Horváth, in which he examined the role of social compensation, economic reparation and the politics of resettlement in Northern Transylvania. He claims that ethnic Hungarians aimed to regain the economic positions that Jews had taken during the period of Romanian rule, i.e. they sought to implement economic re-Hungarianization.19 Horváth’s study included examples from Nagyvárad (today Oradea in Romania) and Kolozsvár (today Cluj in Romania), but not Szatmárnémeti. Apart from Horváth’s article on the topic, there is no study using primary sources on the implementation of anti-Jewish legislation in Northern Transylvania for the period 1940–44.20

In order to grasp the mechanisms and motivations behind the deportation of Jews, a local case study is warranted that draws on a variety of sources, including official documentation, newspaper articles and oral testimonies. Kádár, Vági and Horváth have made important contributions in this direction, but their inquiries hardly represent detailed investigations of the local scene. Rather, they draw on bits and pieces of information from various places. This article therefore aims to address this lacuna by undertaking a local investigation in order to arrive at a more subtle understanding of the mechanisms of deportation by using the analytical concept of economic nationalizing.

The Final Solution

The German plans for a radical solution of the so-called Jewish question received support among Hungarian leaders and authorities. Hungarian leaders were interested in the possibility of deporting Jews, as this would enable them to fully implement their program of re-Hungarianization. In the context of a war economy plagued by shortages, Hungarian leaders aroused expectations among the Hungarian public that Jewish property would be redistributed as a “national gift.” Expectations were high that this would amount to the “salvation of the Hungarian economy.”

The majority of Hungarians in Szatmárnémeti were not aware of the plan to annihilate Jewry, but we can assume that the leading Hungarians, including Mayor László Csóka, had been informed and knew of the extermination camps. State secretary László Endre attended the meeting in Szatmárnémeti at the end of April, at which plans were made for the establishment of the ghetto and the deportation of Jews. We can assume that during this meeting Csóka asked Endre about the destination of the Jews. Lower-ranking officials most probably understood that the Jews would face harsh conditions, but we can assume that they were not given specific information about their final destination.\(^{21}\) They proved willing to support the deportations, as they expected to receive economic returns in the form of “Jewish property.”

Until March 1944, the various anti-Jewish measures that had been passed primarily affected poor Jews, as some of the more affluent Jews had succeeded in maintaining their economic positions and wealth. Still, around 1,000 Jews, mainly refugees from Poland, had been deported from Szatmárnémeti because they lacked documentation necessary in order to obtain Hungarian citizenship. Together with around 24,000 other Jews, they had been massacred near Kamianets-Podolskyi, a city that today lies in western Ukraine, in the fall of 1941.\(^{22}\)

Wealthy Jews were still visible in society at the beginning of 1944, which increased the support for a more radical solution among Hungarian leaders, including the mayor. At the beginning of March, the number of Jewish tradesmen and craftsmen was 980, which represented 41 percent of all active permits. The

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city’s economy relied on Jewish managers and engineers. Furthermore, several larger Jewish industries that produced goods necessary for the war economy were still in operation. The local newspaper concluded on April 6 that in 1940–1943, “we succeeded in convincing the majority to favor the Christian Hungarians,” but that “the real reorganization begins now.”

Elisabeth Heimfeld, a Jewish survivor, stated that in April 1944 she and members of her community felt that “something was coming for the Jews.” Polish Jewish refugees living in the city urged Jews to “run away, everyone will die!” Rivka Handler, a Jewish eyewitness, stated that Polish Jews were telling “unbelievable horror stories,” but “we still could not imagine mass killings.” Most Jews thought these reports were exaggerated. In any case, even if they were considering leaving the city, it was extremely difficult to find a place where they would be able to take refuge. Many Jews were convinced that “the Hungarians won’t let us down” and that atrocities “will not happen to us, because we are Hungarian Jews.”

However, at the beginning of April, the Hungarian Ministry of Interior, together with the Nazi German special appointee Adolf Eichmann, worked out the details of relocating the Jews to ghettos. The official arguments for establishing so-called “designated areas” or ghettos were based on economic and security reasoning. The Hungarian Minister of Interior Andor Jaross argued that Jews lived in better lodgings than non-Jews because they were unjustly richer, and therefore should be moved to designated areas with poor housing. Furthermore, for supposed reasons of national security, Jaross required Jews to be transferred from villages and smaller towns to larger cities, where authorities could supervise them in designated areas. According to the plan, during each phase Jews would be subjected to special investigation in order to ensure that they would surrender their valuables.

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23 Szamos, April 6, 1944, 6.
24 University of Southern California (USC) Shoah Foundation Institute (SFI), testimony 8680.
25 USC SFI, testimonies 18970, 21264, 24194, 25815, 29247, 31262, 50370, tape 2.
26 Rivka Handler, We, The Fugitives: The Dramatic Story of a Young Family’s Escape from the Holocaust (New York: Rivka Handler, 1988), 17.
27 USC SFI, testimony 14902.
28 USC SFI, testimonies 13361, 24194.
29 Braham, Genocide and Retribution, 16–17.
31 Braham, Genocide and Retribution, 17.
The security argument was specious and deluded, as Jews in general were not organizing any armed resistance. In Szatmárnémeti only two guns were found in the possession of Jews, though the city had around 13,000 Jewish inhabitants. Nonetheless, the city’s police kept the Jews under surveillance. In early 1944, they caught some Jews operating an illegal printing press used for printing falsified civil and military documents, including ration cards. Most of the Jews of the city were highly religious and did not engage in violence, even to defend themselves. Falsification of documents was the most defiant form of resistance among Jews.

One of the first measures in the plan was the April 11 announcement that all Jews would be dismissed from their jobs between April and September without compensation. This was meant to be part of a gradual process that would “not disturb production.” The announcement made no mention of the “designated areas.” However, the Hungarian authorities started to round up Jews in the neighboring district of Carpatho-Ruthenia as early as April 16.

The mayor issued a decree on April 17 according to which all Jewish shops, with the exception of food stores, were to be closed. Although the decree was issued on April 17, the authorities started to close shops at six o’clock in the morning of April 16. Within a few days, the Hungarian authorities had taken the first step in the process of expropriation and relocation, by closing the 350 Jewish shops, which represented more than half of all shops in the city. As the second step, the Hungarian state formally seized these shops on April 21. The authorities reported that this was the end of the “straw man system,” i.e. the collusive system of circumventing anti-Jewish laws. Thus, this major operation to nationalize Jewish commercial property successfully de-Jewified the commercial sector. However, the process of re-Hungarianization had only started, as most of the shops remained closed and were only gradually reopened under new and exclusively Hungarian-Christian management.

33 MNL OL, K 149 BM PT1 651/2 73 doboz 1941-7-6000 651.f. 2/1944-4-1006 IV.
34 Szamos, April 11, 1944, 3.
35 Braham, Genocide and Retribution, 16.
36 Already 48 shops in Avasújváros were closed on 14 April. Direcția Județeană Satu Mare a Arhivelor Naționale (DJSM) [Local branch of the Romanian National Archives in Satu Mare], Prefectura Județului Satu Mare (PJSM) [Prefecture of Satu Mare County] 1944/111, 46.
37 Szamos, April 17, 1944, 2.
38 Ibid., April 21, 1944, 6.
39 DJSM PJSM 1944/111, 43.
A special conference was held in Szatmárnémeti on April 26 in order to discuss the organization of the ghetto. During this conference, László Endre, the state secretary in the Ministry of the Interior, explained that he expected “full and honest collaboration from all civil servants and others participating in this action, which, possibly, may not be fully appreciated until history has proven us right.” Endre seemed convinced that de-Jewification would bring salvation to the Hungarians.

All top-ranking officials were present at the conference, including the mayor of Szatmárnémeti, who was responsible for executing orders in the city. While precious little is known about what actually happened during the conference, it is likely that future Jewish policy was discussed. After the conference, the majority of the Hungarian leaders decided to remain in their positions. This failure of Hungarian officials and leaders to resign from their posts is persuasive evidence that they supported a more radical “solution of the Jewish question.”

One exception was the prefect of Szatmár County, Ferenc Kölcsey, who resigned and was replaced by Barnabás Endrődi on April 25. According to Béla Földvári, a Jewish survivor, Kölcsey had received information about the plans for deportation and had told Földvári’s family about them. Kölcsey informed them: “first they [the Germans] will take you [the Jews] and then they will take us [the Hungarians].” The fact that Kölcsey resigned (and this made him an exception) indicates that he understood that something radical was going to be implemented, and that he was not willing to take responsibility for it.

The commission for the apprehension of Jews in Szatmárnémeti and its surroundings held a special meeting after the conference. The mayor chaired the meeting and representatives from the police, the gendarmerie, the financial and tax departments of the city and primary and secondary school teachers attended it. They decided that the location of the Szatmárnémeti ghetto should be established in the Jewish neighborhood in the centre of the city. On April 27, the local newspaper reported that “an important decree is under negotiation

41 Braham, *Genocide and Retribution*, 77–78.
43 USC SFI, testimony 50370 tape 3.
44 Another possibility is that politics played a role in which the new regime aimed at filling the top positions with new leaders and that Kölcsey was forced to resign.
46 Ibid., 21.
by the government regarding Jewish houses and a designated area for Jews,” i.e. the ghetto.47 By this time, the deportation of Jews was already underway in the neighboring district of Carpatho-Ruthenia.

The newspaper explained that a governmental decree made it possible for the authorities to requisition Jewish houses. The justification for this was simply the contention that “Jews live in better houses than non-Jews.”48 The official reason was that the homes of Jewish families were needed by members of Hungarian society, emphasizing the material side of Hungarian “needs.” The purpose of the decree was to persuade segments of the Hungarian public that they would soon receive Jewish houses, and thus create public support for the expropriations. This justification was also part of an attempt to legitimize the concentration of Jews in the ghetto with the claim that they generally lived in better conditions than Hungarians.

Furthermore, ghettoization was also intended to prevent Jewish resistance. Security concerns (however deluded) motivated the announcement on April 28 that “Jews are not allowed to buy explosives and all their licenses to use weapons will be withdrawn.”49 This decree served the purpose of constructing Jews as an “inner enemy,” even though the local police were fully aware of the lack of violent organized resistance among Jews.

On April 17, 1944, the authorities ordered all Jews to declare their property, including property supervised by non-Jews.50 However, few Jews had reported their property by the end of April, and on April 28 the order was repeated.51 The finance office announced that it would be open even on Sundays from eight in the morning until six in the afternoon in order to receive the declarations.52

At this point, the intention of the declaration was to create the public impression that everything was in order. However, privately the authorities feared that Jews would leave with their capital or transfer money abroad. The mayor therefore decided to forbid Jews from leaving the city.53 Additionally, the mayor issued a decree the same day prohibiting Jews from using the telephone, sending telegrams, or transferring money at the post office. However, the director of the

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47 Szamos, April 27, 1944, 1.
48 Ibid., April 28, 1944, 2.
49 Ibid., 3.
50 Ibid., April 17, 1944, 2.
51 Ibid., April 28, 1944, 2.
52 Ibid., April 29, 1944, 2.
53 Ibid., 2.

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post office rejected the order and resigned. 54 He was one of the few known cases of someone in a leading position who protested against the orders given by the mayor during the ghettoization.

On April 28, the “ghetto order” was made. The official name of the decree was “Concerning the regulation of certain questions relating to the determination of the Jews.” It stipulated the establishment of “a designated area” and was announced in the local newspaper on May 1. 55 Furthermore, it stipulated that “Christians” living in the area had to move out. 56 On May 3, all Jews wearing the yellow star were ordered to remain inside their homes. As of May 4, all Jews who were not living in the ghetto were only allowed to go outside between 9:00 o’clock and 11:00 o’clock in the morning. 57

Jews were rounded up and brought to the ghetto between May 3 and 6; Jews from surrounding villages and cities were brought to the ghetto later. 58 The ghettoization proceeded without any major disturbances. The reasons for this were that there was no resistance movement organized by the Jews and no major opposition by the Hungarian public or Hungarian officials. 59

The rounding up of Jews was carried out by special units composed of civil servants, including local primary and secondary school teachers, gendarmes and policemen, who were under the authority of the mayor and operated under his jurisdiction. Thus a large share of the public sector was involved in this process. Jews were brought to the ghetto and were only allowed to bring a limited amount of personal belongings and food.

Another special unit came afterwards to make an inventory and ascertain whether the Jews had declared all of their property. The Jews received a copy of the declaration as a sign that the whole process was legal. This created the false impression that they would be given back their property once they returned from the ghetto. 60

The local newspaper reported that “a new episode in the economic life of the city” had begun. Decrees had been announced on April 16 and the Jews had to “declare” their property upon it. After the establishment of the ghetto

56 Szamos, May 1, 1944, 1.
59 Braham, Genocide and Retribution, 24, 31–32.
60 Ibid., 31.
in the beginning of May, this property was “seized,” i.e. it became the national property of the Hungarian state.\textsuperscript{61} However, according to one newspaper article, the amount that was seized was “surprisingly little.” The same article stated that “economic experts believe that one of the reasons for this is that Jews are keeping money for themselves.”\textsuperscript{62} Jewish testimonies confirm that they were indeed hiding some of their valuables or had given them to Christians whom they trusted.\textsuperscript{63} Thus, Jews realized that the “declaration” was only a pretext for the theft of their property.

Another explanation for the perception that the property that had been seized from the Jews was “little” was that Hungarian officials took advantage of the opportunity to steal items for themselves. Sources confirm that Hungarian officials seized the opportunity and took things that were easy to carry.\textsuperscript{64} The newspaper also cited cases of illegal transactions. In one case two detectives had accepted a bribe from a Jew and were sentenced to prison. This reveals that officials used the opportunity for private economic gain.\textsuperscript{65} In some cases Jewish houses were looted before the authorities arrived to take inventory.\textsuperscript{66} However, according to a police report, already by the end of 1943 and beginning of 1944 some of the more affluent Jews had transferred some of their wealth abroad.\textsuperscript{67}

According to eyewitness Livia Kellerman, some Hungarians suggested to their Jewish neighbors that they trust them with their valuables instead of handing them over to the authorities.\textsuperscript{68} Another Jewish survivor, Margerete Weinberger, claimed that “Gentiles were waiting to take over,” i.e. that as soon as the Jews had been rounded up, Hungarians used the opportunity to steal.\textsuperscript{69} This reinforced the economic incentives of Hungarians to de-Jewify the city.

Another explanation for the perception of the allegedly “low” quantity of the Jewish property that had been expropriated could simply be that the expectations concerning the amount of property owned by Jews were exaggerated. The anti-Jewish legislation had been in force for almost four years, and moreover the war

\textsuperscript{61} Szamos, May 6, 1944, 3.
\textsuperscript{62} Ibid.
\textsuperscript{63} USC SFI, testimonies 8102, 29247, 41683.
\textsuperscript{64} Csirák, Szatmári zsidó emlékek, 143.
\textsuperscript{65} Szamos, May 12, 1944, 3.
\textsuperscript{66} USC SFI, testimony 14701.
\textsuperscript{67} Police Report, Jan 1944, MNL OL PT1 651/2 73 doboz 1941-7-6000, 651.f. 2/1944-4-1006.
\textsuperscript{68} USC SFI, testimony 21264.
\textsuperscript{69} USC SFI, testimony 25815.
had created economic difficulties for everyone, but especially for the Jews. This contributed to the false perception among the Hungarian authorities and public that the Jews were much richer than they actually were. This perception was also fed by the existence of a few wealthy Jews.

Around 200 of them, most of them wealthy, were interrogated. Some of them were tortured because they did not cooperate or voluntarily hand over their valuables, according to Jewish sources. Some Jews committed suicide because of the torture, including a noted Jewish grain merchant. According to the eye-witness Magda Moldovan, another wealthy Jew was shot on the spot by SS men. According to the Jewish memorial book of Szatmár, 30 people were killed in the ghetto and 9 people committed suicide, some of them after having been tortured, others because they could not bear the conditions in the ghetto. Thus, one of the main purposes of the ghetto was indeed to rob the Jews of their remaining property and valuables.

On May 12, the mayor announced that all Jewish property seized had become national property. This means that economic re-Hungarianization had been completed before the deportations began. However, the process of redistribution had not yet begun. The purpose seems to have been to raise the expectations among the Hungarian public in order to legitimize the rounding up of Jews. From a Jewish perspective, this was only the beginning of a series of horrors that only a few of them could have anticipated. Many of them still believed that, as Hungarian citizens, they would be exempted from deportations.

The fast reduction of the Jewish workforce created major disturbances in economic and industrial production. For example, efforts were made in several places to make exceptions for Jewish doctors because of the shortage of physicians. This shortage was made severe, since 45 percent of doctors fell under the anti-Jewish legislation. The result was a significant health care problem in Hungary.

71 USC SFI, testimony 50370 tape 3; 13361; Náftáli Stern, ed., *Emlékezz Szatmárra*, 13; Braham, *Genocide and Retribution*, 104.
72 Braham, *Genocide and Retribution*, 104.
73 USC SFI, testimony 14701.
75 Decree no. 12.880/1944 12 May 1944.
76 Kádár and Vági, “Solving the Jewish Question’ versus the ‘Interests of the Production’,” 527–29.
Still, the concentration of Jews in the ghetto made it possible to re-
Hungarianize the economy. Hungarian leaders used both alleged security
concerns and economic incentives to establish the ghetto, but they were
primarily interested in seizing Jewish property. In this way, the Final Solution was
promoted by the Hungarian elite and received support (or at least was not met
with opposition) from the larger part of the Hungarian public. The expectation
among the Hungarian public was that they would receive Jewish houses, properties
and companies. The de-Jewification of the city was presented as the salvation of
the Hungarians, but the process in fact involved the loss of significant human
expertise and experience. The economy was practically brought to a standstill,
as a substantial part of it was in the process of being re-Hungarianized. More
than half of all shops were closed, and industrial companies lost more than 40
percent of their skilled managers and workers. This caused major disturbances
in the production and supply of goods, which had negative consequences for
society at large.77

Deportations

The Jews were rounded up at the beginning of May, and most Jews lived in the
ghetto for roughly 3 weeks before being deported. There were two ghettos in
Szatmár County, one in Szatmárnémeti and the other in Nagybánya. Jews were
brought from the surrounding smaller cities, villages and districts into the two
cities.78 At its peak at the end of May, the Szatmárnémeti ghetto had around
19,000 Jews.79

The Jews from the Szatmárnémeti ghetto were deported in six transports.
The first train departed on May 19 and the last on June 1, with around 3,000 Jews
in every transport. The expenses for the deportations had to be paid by the city,
but were reimbursed by the state.80 This means that Hungary paid for the cost
of deportations to Nazi Germany using seized Jewish property, an arrangement
that has been referred to as “self-financing genocide.”81

Jewish survivors offer different assessments of how the Hungarian public
reacted when the Jews were taken to the railway station. One Jewish eye-witness

77 Ibid., 520–21.
78 Csirák, ed., Szatmári zsidó emlékek, 139.
79 Braham, Genocide and Retribution, 31.
81 Kádár and Vági, Self-Financing Genocide.
claimed that “people were crying,” while two others stated that people were “smiling” and “clapping their hands.” Yet another claimed that “the rest of the population did not say anything when we were deported.” Regarding responsibility for the deportations, one Jewish survivor claimed that “our neighbors, the Hungarians, were participating, not the Germans.” Another summarized the collaboration between the Hungarians and the Germans by saying that “the Hungarians were more interested in valuables and Germans in our lives.” Local Jewish testimonies therefore support the notion that the Holocaust in Hungary was the result of a combination of Hungarian material interests and the Nazi German desire to exterminate the Jews.

The final destination of the transports from Szatmárnémeti was Auschwitz-Birkenau, where a majority of the Jews would either be immediately killed or perish because of the harsh conditions of camp life. The fast deportation of the Hungarian Jews to the extermination and concentration camps (4 trains every 24 hours) resulted in a high death rate among them. It is estimated that around 65–75 percent of the Jews who were deported from Northern Transylvania died. Thus around 12,000–14,000 Jews from the Szatmárnémeti ghetto died as a result of the harsh conditions in the ghetto and trains or else were murdered in Auschwitz-Birkenau.

Although the Hungarian authorities seized property from the deported Jews, the local newspaper claimed that many valuables were still missing. “Christians” who had received property from Jews were “robbing the Hungarian state,” according to the newspaper. The editor, Albert Figus, urged everyone to report all Jewish property to the authorities. The Hungarian authorities suspected that neighbors had taken Jewish property and requested that everyone hand all such property over to the authorities.

While Jews were suffering or being killed in Auschwitz-Birkenau, the local newspaper claimed that “Hungarian history justified the solution of the Jewish question, because former periods had shown the danger of letting Jews take

82 USC SFI, testimony 50370 tape 3.
83 USC SFI, testimonies 754, 18970; DEGOB protocol 133.
84 USC SFI, testimony 2281.
85 USC SFI, testimony 6837.
87 Szamos, May 22, 1944, 3.
over. This referred to the alleged overrepresentation of Jews in the economy from the Dualist period until April 1944.

Hungarians had a significant incentive to seize Jewish property, which they defined as Hungarian property, while Nazi Germany was mainly interested in exterminating the Jews. The result was that the deportations of Jews from Szatmár was among the fastest and most destructive chapters of the Holocaust in Europe, as never had so many Jews been deported and so much property seized in such a short time. The rapid deportations were implemented chiefly by Hungarian authorities in cooperation with Nazi German experts in genocide. Still, a few members of the Jewish elite managed to escape the horror by paying large bribes.

“NationalGift”

The seizure of Jewish property, according to the plans of the state, was the first step in a major social welfare program to the benefit of the Hungarian public. Jewish property was stored and protected by the municipal administration. On May 21, the seized property of Jews in the surrounding cities was transferred to Szatmár. The most valuable things were taken to Budapest by train. All former Jewish houses not intended for immediate public use were sealed.

On May 9, the new prefect announced in the local newspaper that the seized Jewish property would be redistributed as a form of social welfare. He promised to give textiles, clothes, and shoes to poor workers and their families. There was also the possibility that Jewish homes would be reallocated, but before doing this he would have to wait for further instructions. The prefect claimed that this new system was something that people in general had been expecting for a long time. Thus, he aimed to arouse high expectations among the Hungarian public.

On May 12, clothing that had been stolen from Jews was sold at low (symbolic) prices to poor workers with children in order to facilitate a “rapid solution to the social problem,” said the mayor. According to the local paper, Jewish property that had been seized created an opportunity to provide support

88 Ibid., May 23, 1944, 7.
89 Kádár and Vági, Self-Financing Genocide, xxi-iv.
90 DJSM PJSM 1944/56, 24-5.
91 Ibid., 29.
92 Ibid., 33.
93 Szamos, 9 May 1944, 3.
94 Ibid., May 11, 1944, 3.
for the city’s “largest family,” beneficiaries of the public welfare office, which included 3,599 families with 11,612 individuals. Thus, about 25–30 percent of all inhabitants of the city were entitled to social welfare, which indeed gave the Hungarian public a material interest in seizing “Jewish property.”

The ghettoization of Jews enabled the Hungarian authorities to provide more support for non-Jewish families. According to reports, 200 cows and fifty horses were seized and redistributed. Horses were given to families of soldiers. Wagons and tools were distributed to Hungarians in the same way.95 Agricultural machines seized from Jews were distributed among farmers.96

The conclusion is that Jewish property was used as “national gift,” i.e. as part of a program for social welfare. In the end, it was not entirely a “gift,” as poor Hungarians had to pay a symbolic price in order to obtain clothing that had been stolen from Jews. This justified the robbing and deportation of Jews and gave the Final Solution a political legitimacy among the Hungarian public under the pretext that national property was actually being restored.

**Requesting “National Property”**

On May 16, 1944, the Hungarian authorities ordered that all valuables be collected, stored and listed in protocols.97 As a group, civil servants had some of the highest expectations and demanded material compensation for their work. On May 16, twenty civil servants submitted a signed request to the prefect in which they claimed that, “we have read in the newspaper Szamos that Jewish property will be redistributed to poor people and workers.”98 However, the civil servants who signed the petition regarded this as an offence, as the “work conducted by the civil servants had not been fully compensated.”99

At this point, they had not yet received houses or flats, so the civil servants requested that they be given the clothes that Jews had left behind “in the name of the middle class, which is facing more expensive times.” The civil servants argued that “the fine clothes owned by the Jews were not suitable for physical work.” They meant to imply that the clothing should be given to them, white-collar workers, not to blue-collar workers. Furthermore, they stressed that they

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96 DJSM PJSM 1944/118, 96–110.
97 MNL OL 150 IV. k.6 30 tétel Szatmárnémeti, 768.
On May 24, a second group of civil servants requested that they should receive clothes, household utensils and furniture left by the Jews because of the “difficult economic situation and the low salaries.”

However, strict orders were given on May 25 according to which no “redistribution was allowed except for social welfare.” All belongings were to be kept until a full inventory had been conducted, and only then would redistribution begin. Still, the pressure from the general population and the widespread expectation that people would receive properties that had been stolen from the Jews were high, and many private individuals and institutions continued to send requests for their “share” of the “national property.” Pressure from the civil servants increased, as on May 26 they were joined by other professionals to make their case stronger. In another letter, 33 civil servants, teachers and policemen (groups that had participated in the rounding up of Jews and the establishment and administration of the ghetto) requested “Jewish clothes,” as they regarded themselves as “low paid workers who could not afford these kinds of clothes.” The tone of the letter was more demanding than that of the previous request. The petitioners claimed that “the issue is urgent and important,” because for two weeks they had “worked from 5:00 o’clock in the morning until 7:00-8:00 o’clock in the evening, performing not only administrative work but also hard physical labor.” According to their request, if they were not given new clothes, “they [would] not have proper clothes to work in.”

Thus, civil servants expected to receive economic compensation for their help in deporting the Jews. However, the prefect denied their request for clothing and textiles. The formal reason for the denial was that all property had to be inventoried and listed and that the government had to issue an order before the redistribution could begin. In order to indicate his appreciation for the role played by the civil servants, the mayor announced at the end of May that “all

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100 Ibid.
101 PJSM Comisar guvernamentar al aprov. publica 1944/22-2, 25.
102 DJSJM PJSM 1944/56, 36.
103 Ibid., 1944/56, 91–158.
104 PJSM Comisar guvernamentar al aprov. publica 1944/22-2, 27.
105 In another case the teachers of the city of Nagybánya who had undertaken the inventory of the property that the Jews had left behind requested, “as the nation’s humble servants”, to be compensated with “textiles, linen, shoes or perhaps furniture.” PJSM Comisar guvernamentar al aprov. publica 1944/22-2, 1.
106 Ibid., 1944/22-2, 2, 82.
civil servants are serving on the inner front,” i.e. they were serving as soldiers in the local war against the internal enemies.  

Other groups that made requests for the confiscated Jewish property included pensioners, disabled veterans, refugees from southern Transylvania, priests, 130 railway workers, and journalists. All of these groups claimed that they had undertaken important tasks related to de-Jewifying and re-Hungarianizing the city. Public institutions such as the civil defense association, military hospital, workers’ office, and the local branch of the Red Cross all asked to receive equipment and material from Jewish institutions or private persons.

Some of the textiles had been sold to poor families through the social welfare office, but in June it was reported that the remaining textiles needed to be cleaned and thus no further distribution was authorized. It was clear at this point that “the general principle is that Jewish property should not be given for social purposes.” This was a total change in policy in comparison with the actions and promises made in May. The reason was that “all property that remained belonged to the Jewish owners until a new law regarding this would be passed.” The issue of Jewish property had not been solved at the legal level, and so the whole process of redistribution was delayed, causing disappointment among those who expected economic compensation for their work and support.

To conclude, Hungarians working for the Hungarian authorities and at other national institutions expected to be compensated for their support and the work they had performed in connection with the deportation of the Jews. They claimed to be the rightful beneficiaries of Jewish property. This shows how a mechanism of exploitation operated in which the enrichment of Christian Hungarians at the expense of Jews was justified by alleged national merits.

107 Szamos, May 31, 1944, 3.
110 MNL OL 150 IV. k. fő 30 tétel Szatmárnémeti, 778; Jews had been hiding textiles that were found, Szamos, June 13, 1944, 3.
111 MNL OL 150 IV. k. fő 30 tétel Szatmárnémeti, 778–79.
112 Ibid.
Houses and Flats

Jews owned a significant share of the houses in the city. On May 10, the local newspaper reported that “the solution of the Jewish question solved the problem of housing in a radical way.” On May 9, people in the city had already begun to submit requests to receive Jewish houses and flats. It was decided that public institutions should be given priority in this redistribution. The second priority was “civil servants who did not have any place of their own”, because there were several cases in which the families of civil servants rented their dwellings. The third category was civil servants who had flats that were deemed too small.

This announcement clearly shows how civil servants were promised compensation in the form of Jewish homes for their assistance in the process of rounding Jews up. It is likely that many civil servants expected to receive benefits for their work and that this was their primary motivation in helping in (instead of protesting against) the ghettoization and deportation of the city’s Jews.

In the course of the following days, the prefect changed the priority regarding the redistribution of houses and emphasized social welfare, meaning that poor families with many children or without houses would be first to receive lodgings that had been stolen from Jews. Social welfare institutions such as kindergartens and retirement homes were also given priority.

The estimated number of Jewish houses in mid-May was around 1,200 out of 6,000 dwellings. Still, this was only an estimate, as Jews from other places owned houses in the city and the final report had not yet been completed. The final outcome of the redistribution was of “great public interest” according to the local newspaper, since Jews had possessed a large share of what was referred to as “national property.”

The expectations rose among Hungarians that they would benefit materially from the redistribution of Jewish homes. The newspaper reported that “everyone wants to move to Szatmár[németi],” and by the end of May as many as 2,099 requests to move to the city had indeed arrived. It was announced in the newspaper that “Christian [Hungarian] working families with many children”

113 Szamos, May 10, 1944, 3.
114 Ibid.
115 Ibid., May 11, 1944, 2.
116 Ibid., May 12, 1944, 7.
117 Ibid., May 16, 1944, 3.
would be the first to be given homes. People who requested houses because they wanted more comfortable and larger accommodations would be denied.\textsuperscript{118}

The inventory of the houses was undertaken by a special finance committee consisting of twelve members. They made a list of all items of furniture and appointed a caretaker, who either rented the house to a Hungarian renter or sealed it. The rent was paid to a public account. According to the report, because of the shortage of policemen, some Jewish houses had been entered before the special commission came.\textsuperscript{119} However, in my view it is not unlikely that officials also abused their mandate in the interest of their own economic gain. This was the case in other places in Northern Transylvania.\textsuperscript{120}

The redistribution of houses started in mid-June when the first families with several children moved in, and another fifty families were about to follow.\textsuperscript{121} According to the newspaper, Jews had occupied the best houses in the city, while several thousand Hungarians had been living in poor conditions. By this time, 3,100 requests had been received. “A new happy Hungarian life has started,” reported the newspaper on June 23.\textsuperscript{122} Rose Markovits claimed that “a Hungarian peasant family took over our house and they loved it,” because “for the first time they had a decent home and they had gotten something that they had never had before.”\textsuperscript{123}

By the beginning of July, 360 Hungarian workers had received one-room and two-room houses and flats, while another 4,000 requests were pending.\textsuperscript{124} The constant increase in requests reveals how large a share of the public had an interest in obtaining Jewish property. By the end of July, all “Jewish” real estate and flats had a caretaker appointed and were seized as Hungarian state property.\textsuperscript{125}

The newspaper reported that “the building of the new Szatmár[németi] will go smoothly when real estate is in the hands of the state.”\textsuperscript{126} Flats and houses were rented out and the newspaper announced that “everyone will have a place

\textsuperscript{118} Ibid., May 22, 1944, 4.
\textsuperscript{119} MNL OL 150 IV. k. fő 30 tétel Szatmárnémeti, 778–80.
\textsuperscript{121} Szamos, June 14, 1944, 3.
\textsuperscript{122} Ibid., June 22, 1944, 2; 23 June, 3.
\textsuperscript{123} USC SFI, testimonies 13361.
\textsuperscript{124} Szamos, July 7, 1944, 3.
\textsuperscript{125} Ibid., July 26, 1944, 5; 31 July, 3.
\textsuperscript{126} Ibid., July 31, 1944, 3.

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to live.” This work was undertaken by 40 teachers, who compiled a registry of all of the houses.127 Schools were waiting to take over the buildings that had been used by Jewish schools and, according to the newspaper, the “whole nation is waiting to get its property back.”128

In mid-August, it was announced that 3,260 families would receive houses or flats and that 1,800 had already moved in. These dwellings were given first to poor people and civil servants and then were distributed to the rest of the public.129 In the end, civil servants were compensated for the assistance they had provided in rounding up Jews and seizing their property. Also a large segment of society benefitted materially from the transfer, as around 40 percent of all houses and flats in the city were redistributed.

In conclusion, the deportation of Jews enabled a major redistribution of houses and flats to a large share of the Christian Hungarian public in general and the Hungarian elite in particular, as they received credit and compensation for this major transformation. Houses and flats were distributed as a form of social welfare, but were also given as compensation to civil servants who had participated in the deportation of Jews. The position of civil servants allowed them opportunities to gain economic advantages, both legally and illegally. This shows how a mechanism of ethno-racial exploitation functioned. The large redistribution of Jewish property to the Hungarian public was a way of legitimizing the deportations and currying popular support.

Redistribution Delayed

In June, the principles for the redistribution and re-Hungarianizing of Jewish property were circulated, with the general criterion being to give priority to public projects.130 According to the local newspaper, former Jewish property became “national property and a national gift,” as the property was being restored to its “rightful owners.”131 However, the process of redistribution was delayed and all Jewish valuables were stored in Hotel Pannonia (formerly Hotel Dacia) and in warehouses. According to the local newspaper, the Hungarian authorities

127 Ibid., Aug. 3, 1944, 2.
128 Ibid., Aug. 5, 1944, 3.
129 Ibid., Aug. 12, 1944, 3.
130 DJSM PJSM 1944/56, 159.
131 Szamos, July 6, 1944, 1.
accumulated one wagonload of gold in total as well as “luxury products of the finest quality.”

The Hungarian Government was delayed in the redistribution of Jewish property, and it was only in June, two months after the expropriations had begun, that a Commissioner for Jewish property was appointed. Decrees regarding Jewish property had been contradictory; at first, the Hungarian government had decreed that clothing would be sold as part of a social welfare program, but later this and other decrees were suspended.

On August 10, the criterion for redistribution was finally announced. Jewish property was to be used for the “public and national good.” This included redistribution to, first and foremost, military organizations (such as the Levente Associations, which were paramilitary youth organizations), social and religious institutions, cultural houses, churches and educational institutions, all of which, of course, were regarded (and legally defined) as Christian Hungarian. With regards to the redistribution of property to private individuals, the following priorities were established:

1. Surviving members of soldiers’ families;
2. World War I veterans;
3. Poor families with several children;
4. Disabled or impoverished people without property;
5. Partisan fighters (fighting for Hungary in non-regular units);
6. Workers earning less than 200 pengő per month;
7. Families who had lost property because of bombing;
8. Pregnant women;
9. Civil servants with eight or more children.

This list of priorities clearly reflects considerations of social welfare. It also recognized and privileged groups that were fighting for the “nation,” i.e. soldiers and their families, as well as civil servants.

132 Ibid., July 13, 1944, 3.
134 In Nagybánya confiscated Jewish houses were used as kindergartens, hospitals, the Levente Association, the police, the Reformed Church’s school, teachers’ and clerks’ residences, DJSM PJSM 1944/133, 40. The situation was similar in Csenger, Nagysomkút, Avasújváros and Kápolnamonostor. See ibid., 10, 71, 73, 85.
135 DJSM PJSM 1944/56, 201–04.
Even though the criteria for redistribution had been decided, the newspaper announced on August 12 that the huge task of completing the inventory had not been finished. The city was bombed on August 16 and 17 and again on September 19 and 20, and many people left for the countryside. Shops and warehouses were not guarded and there was some looting, according to a police report. Ultimately, only a fraction of the property was redistributed. Following the chaos created by the advancing front and the bombing of the city, confiscated Jewish property remained in warehouses or was stolen.

In conclusion, a significant amount of the property that had been expropriated from Jews was never redistributed because the process was delayed, and during this time a great deal of property was stolen or lost. The redistribution was intended to provide social welfare and to reward “national merits.” The delay of redistribution meant that the Hungarian people’s expectation that they would be given some part of this “national gift” was frustrated.

Conclusions

The main method of re-Hungarianizing the economy in the city of Szatmárnémeti was the ghettoization and deportation of Jews. This created an opportunity to seize, confiscate, rob, steal and redistribute Jewish assets. However, in the process of property seizure and collective thieving, a significant share of the values that were in principle to be stolen by the state was simply appropriated by individuals and never nationalized. Hungarian politicians, policemen, gendarmes, civil servants and others took part in this collective and private looting, which became a vast operation and occupied major segments of the population for several months during the summer of 1944.

Jewish property was re-Hungarianized in a process consisting of several stages. First, Jews had to declare their property. Second, the Hungarian government and individual Hungarian citizens seized property when the Jews were rounded up. The last and somewhat delayed part of the process was when the Hungarian government redistributed lodgings and real estate by appointing Hungarian caretakers, renting out dwellings, or simply giving property away.

136 Szamos, Aug. 12, 1944, 3.
137 MNL OL PTI 651/2 73 doboz 1941-7-6000 651.f. 2/1944-4-1006, 86.
138 According to Zweig, “It is not clear what percentage of the movable assets owned by Jews was actually handed over to the central government, and what remained ‘unofficially’ in the hands of the local police and Financial Directorate officials.” Zweig, The Gold Train, 219.
The political aim of de-Jewifying the city, which was to ensure popular support, was accomplished; however, while the properties and belongings had been re-Hungarianized on a formal level through seizure, this did not mean that all “Jewish” jobs, including positions in workshops and manufactories, were taken by Hungarians. The deportation of Jews and the redistribution of Jewish property caused significant disruptions in the economy.

Some of the properties that were seized were used as a form of social welfare. This social welfare functioned as a way of pacifying the Hungarian public and generating political support for the regime. Moreover, it helped legitimize the deportations. The seizure of Jewish property created an expectation among Hungarians that their economic situation would improve, because it was generally believed that Jews were wealthy. However, in the end, some of the property was never redistributed within the frameworks of the social welfare programs because of administrative and legal issues, and also because Hungarian rule in northern Transylvania came to an end when the Romanian army entered the city in late October 1944. One important exception was the redistribution of houses and flats, which were given to Hungarians. This did indeed constitute a huge economic transformation.

Certain sectors of economic life were severely disrupted by the loss of human capital and know-how, which created a general standstill of the economy. The Holocaust not only destroyed the Jewish community of the city, murdering its members, it also destroyed a significant part of the city’s economy. Before the German occupation, the Hungarian authorities had been cautious and implemented a gradual re-Hungarianization, but radical forces among the Hungarian elite and the new pro-German regime abandoned this approach. They seemed convinced that the operation would be economically beneficial to the Hungarian community. In reality, they paid a high price for having cleansed the city of Jews.

Hungarian leaders were convinced that a complete seizure of minority property would improve their own situation and that the gradual implementation of this policy (instead of a rapid implementation) had been the reason for the policy’s previous failure. In 1944, they therefore supported a radical policy of enacting a large-scale operation as quickly as possible that was meant to prove them right. Eventually, this turned out to be an illusion, as it created major economic disturbances and a political economy of exploitation. The fact that a similar process in Romania, which never involved deportation on the same scale that took place in Hungary, has similar negative economic
consequences suggests that indeed the relationship between the two (ethno-racial nationalizing and economic stagnation) was causal. These two cases of Hungarianization and Romanianization clearly exemplify the economic problems (beyond the obvious human ones) involved in ethnic and racial discrimination and exploitation.

In the interwar period, the Romanian elite in Szatmárnémeti believed that it was possible to Romanianize all sectors of the economy, even though the Romanians were themselves a minority in the city. The Hungarian elite believed in much the same way that they could re-Hungarianize all sectors of society when the city again fell under Hungarian rule in 1940. In both cases, however, the minorities succeeded in maintaining their presence in or control over important parts of the economy. Ironically, this was partly the result of the successful nationalizing in the public sector, which increased economic space for minorities in the private sphere one. Another reason was that minorities found ways to circumvent the legal efforts to nationalize the economy, which they were able to undermine through bribes and political pressure.

The Hungarian elite in particular promoted the elimination of Jews as part of the “Final Solution” with the support of Hungarian society in order to achieve a complete re-Hungarianization of the economy. In my view, support for this policy can be partly explained by the stepwise process by which it was implemented. When one measure did not produce the desired effect, this only heightened expectations and increased pressure to devise more radical measures with which to improve the economic situation in the context of the war. In the case of Szatmárnémeti, wealthy Jews remained in their positions, and some were exempt from legal measures, despite the anti-Jewish legislation. This delay in implementing the most vicious measures reinforced the public demand and support for a more radical solution. This argument and mechanism echoes the ideas put forward by Raul Hilberg, who claims that the decision to annihilate the Jews required “the implementation of systematic administrative measures in successive steps.”

Hilberg claims that first Jews were racially defined; second, expropriation operations were initiated; third, Jews were concentrated in ghettos; and finally, the decision was made to annihilate them.

The discrimination against Jews and the promotion of Hungarians in the economic sphere led to short-term economic gains for Hungarians, but created

139 Ionescu, Jewish Resistance to “Romanianization” 1940–44, 186.
several detrimental social mechanisms that reinforced a vicious circle. The most important was the mechanism of exploitation, meaning that Hungarians could live off the work of others by looting and robbing their property. The Hungarian state used formal and direct discrimination and seized all Jewish property in the name of an anti-Semitically defined nation. The state redistributed property based on ethno-racial identity, which created a belief among Hungarians that they would be rewarded in economic terms merely because of their alleged ethno-national merits.

The relatively strong local support for and lack of resistance against the deportation of Jews was driven, above all, by the economic ambitions of the local Hungarian community. Local Hungarians had economic incentives, namely the prospect of being given property that the Jews had had to leave behind. Jews in the city trusted their leaders and stayed, despite warnings and rumors about mass murders. The economy was totally re-Hungarianized when the Jews were deported in the summer of 1944. However, the consequence was that the Hungarian economy and society was paralyzed. Hungarian leaders believed that the deportation of Jews and the redistribution of “Jewish property” would amount to “the salvation of the Hungarian economy,” but instead the Holocaust became a dead-end of human and material losses for everyone. The Holocaust in Hungary should therefore primarily be explained with local Hungarian economic motives, which overlapped with the Nazi German Final Solution.

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