

Roumen Avramov

# The Microeconomics of State Antisemitism

Expropriating the Jews under Bulgarian Rule, 1941–1944

---

## Abstract

While the Jews inhabiting Bulgaria proper survived the Holocaust, the Jews from the Greek and Yugoslav lands administrated by the Bulgarian authorities in the years 1941 to 1944 were deported by those into German custody and murdered in Treblinka. The economics of this Holocaust story has attracted scant attention. The lecture draws evidence from the Bulgarian archives and addresses the Government's spoliation policies carried out in the realm under its control. They nurtured behavioural patterns, mobilised social actors and fostered institutional networks. Reduced to its basic economic terms, the expropriation of the Jews boiled down to a forced offer of assets and personal belongings, which engendered strongly biased customer's 'markets'. This operation remapped segments of the economic tissue and further enhanced the role of the State through the arbitrary interventions of the Commissariat for the Jewish Affairs. In a broader perspective, the myriad of induced economic transactions contributed largely to the banalisation of antisemitism among different strata of the society.

---

The fates of the Jews of Bulgaria and of the territories it occupied from 1941 to 1944 present a striking ambiguity. While those inhabiting the Kingdom of Bulgaria proper were persecuted but survived, the Jews from the Greek and Yugoslav lands administrated by the Bulgarian authorities were deported by them into German custody in March 1943 and were murdered in Treblinka. Although the accompanying expropriation policies nurtured behavioural patterns, mobilised social actors and fostered institutional networks, the economics of this episode of the Holocaust have attracted scant attention.<sup>1</sup>

---

1 This paper is based on my research on the topic published in: „Spasenie“ i padenie. Mikroekonomika na darjavnia antisemitizam v Balgaria 1940–1944 [“Salvation” and Abjection. Microeconomics of State Antisemitism in Bulgaria, 1940–1944], Sofia 2012; Les spoliations des Juifs de Bulgarie et des territoires sous administration bulgare [The Plundering of the Jews of Bulgaria and the Territories under Bulgarian Administration], in: Nadège Ragaru (ed.), La Shoah en Europe du Sud-Est. Les Juifs en Bulgarie et dans les terres sous administration bulgare (1941–1944). Actes du colloque des 9 et 10 juin 2013 [The Shoah in South-Eastern Europe: The Jews in Bulgaria and in the Territories under Bulgarian Administration (1941–1944). Proceedings of the Conference of 9-10 June 2013], <http://www.memorialdelashoah.org/index.php/fr/programme-des-activites/colloques/actes-de-colloques> (12 September 2016). The only two other publications devoted exclusively to this issue are: David Cohen, Ekspropriaziata na evreiskite imushtestva prez perioda na hitleristkata okupatzia [The Expropriation of Jewish Property During the Hitlerist Occupation.], in: GOKPOENRB [Yearbook of the Organisation of the Jews in the People's Republic of Bulgaria], 1967; Nadège Ragaru, La spoliation des biens juifs en Bulgarie pendant la Seconde Guerre Mondiale. Un état des lieux historiographique [The Plundering of Jewish Property in the Second World War. Inventory of Historiographical Sites], in: Questions de recherche/ Research Question, Centre de Recherche Internationales, Sciences Po, (March 2016) 48.

## Foundational Myth and Moral Capital

The survival of the Jews in Bulgaria proper has been an important source of political legitimation. It was first exploited to enhance the position of the country during the negotiations of the 1947 Paris Peace Treaty. In the communist period, it was fully credited to the Party, this official version becoming a decorative element of its glorification, even a personal jewel of its long-ruling leader Todor Zhivkov. Since 1989, memory wars on the subject have raged continuously, seeking to appropriate the moral capital from what is presented by all sides as *the Salvation of the Bulgarian Jews*. The story is either a claim in favour of the pre-communist political order, a plea with a strong monarchist impetus which adds to the legend of King Boris III, or a didactic show-case of the potential of civil society. Whatever the point of view, the tale constitutes a self-laudatory and self-exempting mass therapy in a society prone to despise itself. It has coagulated into a foundational myth, permeating the tone of official commemorations, is utilised as a foreign-policy tool and celebrated as the 'Bulgarian Exception'.<sup>2</sup> Even if the chain of events which led to the survival of the Bulgarian Jews was actually the achievement of a handful of individuals, an elitist manoeuvre and partly the outcome of circumstance, it is nowadays packed into a well-established, canonical, politically correct, simplified narrative with a happy end and a moral message about the allegedly ontological tolerance of the Bulgarian people.

What happened in the kingdom differed radically from the situation in the *de jure* occupied and *de facto* annexed 'new lands'. At an early stage, in 1945, the deportation of the Jews from Macedonia, Thrace and Pirot (hereafter abbreviated as MTP) was exploited in the accusation of the 'bourgeois regime' and justified the first ever tribunal against antisemitism, which pronounced its verdict on 2 April.<sup>3</sup> However, the Bulgarian authorities eventually obstinately opted, for various reasons, to transfer responsibility and to avoid any form of excuse. Consecutive governments have turned a blind eye to relevant precedents such as, for instance, the remarkable evolution that has taken place in France since 1995 in attitudes vis-à-vis a similar dilemma. A notorious recent example is the bluntly misleading, nearly negationist parliamentary declaration of 2013.<sup>4</sup> At the same time, some significant breakthroughs have been made lately by civic organisations and the research community.<sup>5</sup>

2 The general understanding among public opinion and among officials in Bulgaria is that this country and Denmark were the only two to have prevented the deportation of their local Jewish populations. It is widely ignored or omitted in this context that Jews were not deported also from other countries allied to Germany, such as Italy and Hungary (until their occupation by the Nazi German forces in September 1943 and March 1944 respectively), or from part of Romania (the *Regat*). For an early problematisation of the issue see: Nissan Oren. *The Bulgarian Exception: A Reassessment of the Salvation of the Jewish Community*, in: *Yad Vashem Studies* 7 (1968), 83-106.

3 A collection of documents from the tribunal can be found in: Varban Todorov/Nikolay Poppetrov (ed.), *Sedmi sastav na Narodnija sad. Edno zabraveno svidetelstvo za antisemitizma v Balgarija prez 1941-1944* [The Seventh Chamber of the People's Court. A Forgotten Testimony on Antisemitism in Bulgaria, 1941-1944], Sofia 2013.

4 The unanimously adopted Deklaratzia po povod 70 godishninata ot spasiavaneto na Balgarskite evrei i pochitane pаметта na jertvite ot Holokosta [Declaration on the occasion of the 70<sup>th</sup> anniversary of the rescue of the Bulgarian Jews and in memory of the Holocaust victims], March 8, 2013.

5 Here one can cite, among others, the conference *To Know about our Past*, organised by the Bulgarian Helsinki Committee in October 2012, and two publications: Nadia Danova/Roumen Avramov (ed.), *Deportirvaneto na evreite ot Vardarska Makedonia, Belomorska Trakia I Pirot. Mart 1943. Dokumenti ot balgarskite arhivi* [The Deportation of the Jews from Vardar's Macedonia, Western Thrace, and Pirot. March 1943. Documents from the Bulgarian Archives], Volumes 1-2, Sofia 2013; Zdravka Krasteva, *Pravni aspekti na darjavnata antievreiska politika v Tzarstvo Balgaria, 1940-1944* [Legal Aspects of the State Antisemitic Policy in the Kingdom of Bulgaria, 1940-1944], in: Albena Taneva (ed.), *Antievreiskoto zakonodatelstvo v Evropa i Balgaria* [Anti-Jewish Legislation in Europe and Bulgaria], Institute of Modern Politics, Centre for Jewish Studies, Sofia 2015.

## Instruments

The Bulgarian government never ignored the economic aspects of the antisemitic policies. In 1942, the Reich's ambassador in Sofia, Adolf Heinz Beckerle, observed that the authorities were fastidious in pursuing materialistic goals – to *bulgarise* Jewish capital and to provide the corresponding room for personal benefits – but clement with the other goals.<sup>6</sup> He condescendingly complained that the local mentality could not grasp the deep racial and ideological dimensions of the 'Jewish question'. In fact, the prevailing mood resulted from an economically non-sophisticated mythology about the occult Jewish pecuniary power, blended with autochthonous nationalism. This ideology was clearly on the rise during the 1930s and its advocates did not refrain from employing distorted statistics or fake numbers overstating the economic power of the Jewish community. The truth was that just before the war the Jewish community represented barely 0.7 per cent of the country's inhabitants (0.6 per cent in the annexed territories and four per cent from the urban population [nine per cent from that in Sofia]), the majority thereof was composed of modest merchants or producers, and there were relatively few prominent figures among the liberal professions and the upper-middle bourgeoisie. In this article, I present some stylised facts about their expropriation.<sup>7</sup>

The implementation of the antisemitic economic policies in Bulgaria evolved through two distinct phases.

From January 1941 to June 1942, they did not yet possess a clear-cut ultimate perspective. The intention was to change the ethnic topography of the capital, i.e. to crowd out the Jewish economic presence by limiting property rights and squeezing the scope of allowed activities. Decisions were based on legislative initiatives which adopted most of the Nuremberg Laws' rules with a key difference: origin was attested on the basis of Orthodox faith, not on blood.

The pillar of these policies was the *Law for the Protection of the Nation* (hereafter LPN), voted upon in December 1940 amidst vocal public opposition. It introduced compulsory wealth declarations of Jewish households, with over 15,000 files (which nowadays constitute a precious database) being deposited at the Bulgarian National Bank (hereafter BNB). Total interdiction was introduced concerning the possession or renting of agricultural land and of buildings in rural areas by Jews. Such properties had to be sold to the state at fifty per cent of the 1932 market price and to be paid with three per cent bearing government bonds with maturity of twenty years. In a few 'open' sectors, Jews were subject to a *numerus clausus* pro rata based on their share in the population. This meant only 84-150 vacancies in six cities for the liberal professions, 400-700 in trade, zero to 34 in the industry. They were totally banned from the 'closed' sectors (education, culture, armament), while in the 'semi-closed' sectors (finance) the ban concerned majority stakes. Trade with government bonds was forbidden and management positions restricted. The government could reduce the scope of the activities exerted by Jews in whatever branch it deemed necessary and later on this happened via concentric extensions of the interdictions.

The obligatory *Bulgarisation* consisted of the liquidation or transfer of stakes. The procedure between particulars was instigated and regulated by the state, but the state

6 Report of Adolf Heinz Beckerle to the Ministry of Foreign Affairs in Berlin, 14 December 1942, in: Obrecheni I spaseni. Balgaria v antisemitskata politika na Tretia Reich [Fated and Rescued. Bulgaria in the Antisemitic Programme of the Third Reich], Sofia 2007, 327.

7 If not indicated otherwise, the circumstances mentioned hereafter are documented in the archives published in: Danova/Avramov, *Deportiraneto na evreite ot Vardarska Makedonia*.

did not participate directly. Smaller firms were liquidated through direct deals, whereas the arrangements for more important companies were subject to oversight and approval by a commission (including representatives of the branch associations) at the Ministry of Industry. The mandatory Bulgarian counterparts were (in order of priority) the partners in the company, businessmen in the same, or businessmen in other branches. In case of suspected under-pricing, the difference was paid to the state, not to the owner. The proceeds were deposited in blocked accounts of the Jewish vendor put under control of the BNB. Furthermore, in a strongly inflationary environment, the allowed interest-free deferred payments constituted an obvious handicap for the former owners.

The second legislative support of the antisemitic policies was the *Taxation of Wealth* enacted in July 1941. It consisted of a one-time, progressive tax at 20-25 per cent rates on the assets declared by Jews according to the LPN. The blocked accounts were also taxed at 12 per cent. The deadline for submission of declarations was set at merely one month. If not met, the assets were confiscated.

Finally, the third major instrument of the expropriation was the *Law against the Speculation with Real Estate* enacted in February 1942, which targeted essentially the more wealthy. It prohibited all citizens from *acquiring* – but prohibited Jews from *owning* – “excessive” living space. The excess was nationalised, upon government decision and again with three per cent interest, 20 years treasury bonds. Additional budget credits had to be approved for those acquisitions. Eventually, the real estate of the Jewish religious communities, schools and civic organisations was confiscated in favour of the municipalities.

During the summer of 1942, the antisemitic economic policies entered a new stage. The decisive turning point was reached when the implementation of the Wannsee Conference’s agenda embraced the Balkans. Berlin initiated contact in July 1942 and was faced with a willing partner. During the next two months, a restricted circle of ministers and officials including the pronounced antisemite and Germanophile, Alexander Belev, shaped a strategic vision which anticipated and espoused the German wishes. By the end of August, the goal to deport the entire Jewish population was publicly declared and presented as a Bulgarian initiative and priority.

This move was not completely surprising. In 1941, the Bulgarian foreign minister had already proposed a pan-European policy towards the ‘foreign Jews’. At that time, Bulgaria (together with Slovakia and Romania, but not with Italy, Hungary and Spain) was classified by Germany as an unproblematic country on this issue. In June 1942, and not by coincidence, citizenship status in the ‘new territories’ was codified. Contrary to the law of war, the possibility to acquire Bulgarian citizenship was offered to the populations in the occupied lands.<sup>8</sup> Only Jews were not allowed to opt for it and thus they were intentionally reduced to statelessness. Meanwhile, Bulgaria had agreed its Jewish subjects living in Germany and in the Protectorate being deported ‘to the East’ and refused to protect them.

By the summer of 1942, voluntary displacement was discarded as a plausible solution to the ‘Jewish question’. Organised internal movements were considered only as an intermediary stage in total deportation. In the early draft plan, no difference was made between the Jews in Bulgaria and in MTP. However, from October 1942 to January 1943, a three-step deportation schedule beginning in the ‘new territories’

<sup>8</sup> Danova/Avramov, *Deportiraneto na evreite ot Vardarska Makedonia ...*; Krasteva, *Zdravka. Pravni aspekti na darjavnata antievreiska politika v Tzarstvo Balgaria ...*

was adopted, with the Bulgarian authorities carefully monitoring the corresponding precedents all over Europe. The government was aware of changing attitudes and hesitations in various countries, even in Romania, but nevertheless hardened its policy even as other states were slightly loosening theirs. The final design of the plan was completed after the arrival in Sofia in January 1943 of Theodor Danekker, one of the key perpetrators of the July 1942 Vel' d'Hiv Roundup in Paris. On February 22, he signed a formal agreement with the Commissariat for Jewish Affairs (hereafter CJA) concerning the deportation of 20,000 Jews, including all the roughly 12,000 Jews from MTP and 8,000 "unreliable" subjects from the kingdom.

According to this strategy, the 'Jewish question' was defined as an essentially economic problem and sending them to the eastern territories of the Reich was presented as a chance to accelerate its solution. Thus, the Bulgarian government asked for German 'assistance' and expressed its readiness to pay for the 'service' in exchange for the benefits of the spoliation of Jewish property. The only objection was the allegedly high price of 250 Reichsmark per person demanded by Germany. The Jews under Bulgarian control had to be stripped radically of their property and capital in order to cut every economic bond with the country. To leave them with more than the minimum necessary for existence was judged "redundant sentimentality". Finally, the deportation would be financed by the Jews themselves through their expropriation.

A much more detailed institutional and operational setting was put in place with the *Ordinance* of 29 August 1942. The document relied on the legally inconsistent and unconstitutional law empowering the executive to take all the measures concerning the 'Jewish question' without prior consent from the parliament. Accordingly, the CJA was established. It was directed until September 1943 by Alexander Belev. The institution's tasks, including the deportations in MTP, were funded by the money extorted from the Bulgarian Jews.

The new master plan intended not just (as was the aim of the LPN) to economically crowd the community out, but to suffocate it. The scope of permitted activities was further squeezed. To start new and enlarge current businesses in trade and industry was prohibited. Credits were strictly limited. In MTP the liberal professions, trade and industry were completely closed; the Jews there had to pay a tax as foreigners. Concerning capital participations, the role of the state evolved from that of a regulator to that of the decisive player. The government (not a ministry's commission) oversaw and finally approved all the *Bulgarisation* deals above a certain threshold. Liquidators appointed by the CJA managed the assets until their transfer or liquidation. All the shares were deposited in the BNB and sold by the CJA through mandatory auctions where any excess over the fiscal value, that is the value declared according to the LPN and the Taxation on Wealth Law, went to the government's budget. Total discretion was left to the government to attribute ownership by choosing the beneficiary according to "the interests of the economy". The state was granted the statute of a privileged buyer who could nationalise (with the standard bonds) any company owned by Jews. The deadlines for the liquidation or transfer of the businesses were so exorbitantly short (two months in the kingdom; initially two weeks in MTP) that they had to be tacitly prolonged and accounting sequels of the operation could be detected months later.

## Assets

It is important to stress that there was a single plan which obeyed the same rules but reached different degrees of realisation. In March 1943, and during the following months, a full-fledged expropriation of deportees was organised in MTP where the final goal of deportation was attained. At the same time – in Bulgaria proper – the plan was aborted due to political and civic opposition and the 8,000 designated Jews remained at home. Two months later, in May 1943, 25,000 were expelled from Sofia and from a few larger cities in the kingdom. The ultimate objective there was realised only partially and those Jews were expropriated as ‘displaced people’. The preserved archives provide abundant micro-evidence about the events and allow for a *tour d’horizon* according to types of assets.

The lowest level concerned the intimacy of *personal belongings*. Although the essentials were not the object of direct spoliation, a forced offer was engendered by the pauperisation of the Jewish community and the external or internal mass movements. The organised sales were meticulously documented and entailed impressive volumes of records disclosing the sordid reality of a huge flea market. A sole auction of the modest property of a family ousted from Sofia (5,744 auction files are preserved) produced, for example, 75 pages of reports. The more expensive objects (carpets and pianos in particular) received the strongest interest.

For the deportees from MTP this was a liquidation of movables *in absentia*, i.e. the property of annihilated people. During the roundup, within thirty minutes, they could take with themselves forty kg per adult and twenty kilograms per child. The rest of the effects were sold at auctions and/or distributed by special commissions employing personnel of the CJA, the municipality, the tax offices, town notables, intelligentsia and (often) teachers. The non-declared items or those without clear ownership were confiscated, which explains the intentional chaos kept in the CJA’s storehouses. The proceeds of the sales had to enter the blocked accounts of the identified Jews, but since July 1943 they went directly into the accounts of the CJA. Manipulation of the prices were widespread.

The persons displaced from Sofia were subject to a larger, albeit less radical, operation. The main difference was that some access to protective networking was possible. In theory, they could sell their belongings personally, but the short deadlines and the absence from the city made it impossible. Thus, a plethora of guardians and liquidators was involved. Meanwhile, the authorities hunted down non-declared valuables all over the country. Raids were organised by BNB teams and lists of wealthy Jews were established in February 1943 in view of the planned deportation from the kingdom.

The *real estate* of the deportees from MTP was effectively confiscated. Although, on paper, the state assumed the servicing of the homes’ mortgages, it did not issue the foreseen compensatory bonds. The houses were rented to the population and/or to public institutions.

Officially, the repartition of the nationalised ‘redundant’ living space in Sofia from April 1942 was supposed to benefit government employees, young couples and numerous families. Some politicians even proposed selling all the apartments on credit to homeless civil servants. In fact, the use of this real estate boiled down to a clientelist distribution by the CJA, where Belev had almost absolute power. By July 1943, a pool of more than 3,100 apartments was available for rent, with a sample showing that, out of 360 rentals, 44 per cent went to government employees; sixteen per cent to military personnel, and seventeen per cent to diplomats, MPs, professors,

teachers, journalists, doctors and artists.<sup>9</sup> The towns which received the displaced Jews from Sofia after May 1943 were faced with a severe housing crisis. At the beginning, the newcomers were accommodated only by local Jews but were soon allowed to be hosted by other minorities as well.

From September 1942 to May 1943, *small businesses* of the Jewish community in 'old Bulgaria' were definitively dismantled. In MTP the entire community disappeared. Silent liquidations by gentlemen's agreements with Bulgarian neighbours, partners or friends were common. For the remaining cases, however, the archives attest recurring points of conflict in the procedures. They included the accuracy of the lists of items, price-fixing, thefts, unfaithful intermediaries, manipulated auctions and so forth. As time was extremely short, the deals were mostly completed by liquidators in the absence of the owners. Despite the widespread suspicion against the liquidators, only six out of some 1,500 were convicted in 1945.

The negotiations surrounding the transfers of *limited liability companies* were mere pretence. The stakes were evaluated by auditors appointed by the CJA without the approval of the Jewish owners and the final decisions were taken by the CJA. Even benevolent agreements between the parties were never optimal for the seller as those were forced deals with obviously asymmetrical positions of the counterparts. In a sample of 69 companies, eighty per cent went to the Bulgarian partners and, as a rule, the expropriation led to concentration of ownership.<sup>10</sup>

The *shareholding companies* were the most important segment of the targeted assets. A study of 172 auctions reveals elusive criteria and no clear principles for the attribution, ad-hoc decisions, and a number of unattractive companies entailing failed or repetitive procedures.<sup>11</sup> The fiscal goals were evident: only two thirds of the proceeds went to the blocked accounts of the Jewish owners because the excess over the declared value was appropriated by the state. A particularly relevant set were the 56 partially or entirely nationalised firms. The motives for these decisions varied: lacking or abandoning candidates; low prices proposed at the bids; tax arrears; industrial policy considerations and so forth. Ultimately, well above half of the shareholding capital owned by Jews was acquired by the state; 25 companies were fully nationalised. Expropriation was accompanied by paranoiac enquiries about concealed collusions with Jewish partners. The operation often provided opportunities to settle internal rivalries in the company or to organise political denunciations.

## Calibration

The data contained in the archives allow for the expropriation to be mapped and scaled. According to the number of cases, the 3,800 transfers of family businesses clearly exceeded the 525 limited liability companies and the 270 shareholding firms. The structure of the proceeds, however, was inverted with a clear predominance of the shareholding companies. By far the most affected field of activity was trade, at ninety per cent, followed by industry at ten per cent.

The *Bulgarisation* of the major firms as of September 1943 can be calibrated in different ways. The value of those transfers represented in 1943 0.2 per cent of the

<sup>9</sup> Avramov, „Spasenie“ i padenie, 224.

<sup>10</sup> Avramov, „Spasenie“ i padenie, 148.

<sup>11</sup> Ibid, 143-149.

national income, 1.8 per cent of the government revenues, 4.6 per cent of the collected direct taxes, and 24 per cent of the state enterprises' revenues.<sup>12</sup>

Any aggregate estimate of the liquidation of the 'Jewish assets' is tentative. In 1967, David Cohen assessed the overall expropriation to at least 3.1 per cent of the national income, but this number is statistically inconsistent and contains both substantial double counting and omissions.<sup>13</sup>

Regarding the wealth tax, only sixteen per cent of the declared property was above the exemption threshold. The efficiency, however, was high and 82 per cent of the tax base was collected. This represented 1.2 per cent of the national income in 1943 and 6.6 per cent and 5.5 per cent in 1941 and 1942 respectively of the government revenues. This represented an extreme tax burden to the extent that the figures exceeded seven to eight times the weight of the Jews in the country's population.

### Economic Effects

In a nutshell, the economic effects of the antisemitic policies were twofold. Their immediate and easily established *direct* impact included the important wealth redistribution, fiscal consequences or the additional liquidity provided to the state via the control of the blocked accounts.

The key, however, were the *indirect* effects incorporating the simplest, technical formulation of the microeconomics of antisemitism. It could be reduced to the induced massive offer of productive and personal assets triggered by bankruptcies, forced transfers, taxation, professional interdictions and deportations. Or, in other words, to the emergence of a customer's market, which generated offers at low prices under strong time and personal constraints. This further distorted the markets that were already heavily biased by the special regimes for war rationing.

There was a substantial *strategic long-term* consequence too. The measures taken fostered the strong pre-war trend of state grip on the economy; they enhanced the role of the politico-bureaucratic establishment, provided additional tools for discretionary, arbitrary and interventionist decisions, and strengthened authoritarian and nationalist policies.

### Social Logic

The social logic behind economic antisemitism put in motion very different actors. Broadly speaking, the legislation activated chiefly the social extremes – the high society and common people – while the middle class remained (in general) on the sideline. The 'elites' inspired, instigated, organised and capitalised on the anti-Jewish measures. 'The people', in turn, was excited by the offer of 'free goods' which incited latent predatory instincts and unleashed a specific kind of organised pogroms.

The archives illuminate the beneficiaries. In first place were the businesses. Unexpected opportunities arose for the guilds and the corporatist interests. Government institutions were particularly favoured so that there was urgent need to temper and channel their demand. They were persuaded that the 'Jewish assets' appertain to them and perceived those goods as a chance for convenient procurement. The initial

<sup>12</sup> Ibid, 147.

<sup>13</sup> Cohen, Ekspropriatziata na evreiskite imushtestva, 109-110.



wish to receive for free the belongings of Jews deported from MTP was rejected, but some privileges (first choice of quality goods; avoiding auctions; attractive prices) were sanctioned. The problem faced by the public bodies was rather their limited budget credits for such acquisitions. The employees also lobbied for special treatment such as closed auctions, special selection of luxury goods, reduced prices or access to the abandoned homes. A shocking reality was the frenetic rush of ‘civil society’ (cultural and religious institutions, non-governmental organisations, charity organisations, the Red Cross and political movements) eager to seize the opportunity.

The institutional core of the overall process was the CJA. On the one hand, this was an excessively powerful institution escaping (at least until September 1943) any serious control. The CJA demonstrated exceptional efficiency and bureaucratic accountability when compared to other Bulgarian administrations. On the other hand, the CJA provided the ‘legal veil’ for the expropriation; imitated rights in an unlawful world. Liquidation was presented as an operation in favour of the public good, as a grand state mission. Spurious protection of Jewish private property was imitated through the blocked accounts, the issued bonds, the appointed liquidators and the scrupulous procedures or internal controls. The CJA tried to effuse the corresponding law-obeying image and work ethic by encouraging bureaucratic zeal and pedantism amongst its more than 110 civil servants. It trivialised its goals and was proud to report its achievements, of course without commenting on their substance.

The reality, however, was completely different. The CJA’s authentic and easily recognisable face was that of the main logistical support of the Holocaust in MTP. In fulfilling this mission and in implementing the antisemitic legislation in Bulgaria proper, it swiftly turned into a real estate, employment, and procurement agency; a wholesale trader and services provider; a redistribution hub; and a coveted market for the exchange and barter of mutual favours. No wonder that the CJA was an institution of bad repute surrounded by rumours, scandals and general suspicions of corruption. A wide-open window to this realm is the insight provided by its files, namely by the reports of the local liquidation commissions in MTP.

### Normalising Antisemitism

The heroic narrative of the *Salvation* to which Bulgarian society is accustomed ignores the ongoing normalisation of the antisemitism of the early 1940s. When commenting on the Bulgarian case, Tzvetan Todorov rightly wrote about the “fragility of goodness”.<sup>14</sup> However, we have to go further and to acknowledge that the reverse side of this formula is *the strength of evil and the permeability of moral filters*.

One of the most telling documents I came across during my work was the extraordinary collection with demands for intercessions addressed to the CJA.<sup>15</sup> The genre had its scriptural protocols: the requests were written on business cards or as manuscript notes (phone calls were not documented); the style was either velvet and mundane or ostensibly familiar; the wording used either respectable codes or brutal language.

These files introduce a clear taxonomy. A number of interventions seem at first glance to have been benevolent. The successful mediations changed the destination

<sup>14</sup> Tzvetan Todorov, *La fragilité du bien. Le sauvetage des juifs bulgares. Textes commentés par Tzvetan Todorov*. Paris 1999; English translation: Tzvetan Todorov, *The Fragility of Goodness. Why Bulgaria’s Jews Survived the Holocaust*, London 2001.

<sup>15</sup> This is detailed in: Avramov, „Spasenie“ i padenie.

of more than 600 Jews displaced from Sofia by referring to ‘legal’ arguments (because they were christened, were foreign subjects, were mobilised, or were ill) or to special decisions (such as by Alexander Belev, the Interior Minister Peter Gabrovski, or other ministers). In fact, those cases reproduced to a great extent the social texture. They reflected personal bonds, former services rendered, established networks, old debts to settle, a certain way to understand loyalty, and so forth. Yet none of the gestures questioned the foundations of antisemitism. They followed a mere case-by-case, ad-hoc approach.

The second set of intercessions illustrates how the classical capitalisation on power (via traffic of influence, protection, opportunism, or parasitism) was performed in a racist context. The most desired goods and services were real estate or valuable personal assets and appointments (sinecures or state employment). The records identify the small world around the CJA, an inner circle of brokers and lobbyists of all kinds – high and middle nomenklatura, employees, MPs, and politicians of different levels. Paradoxically, a couple of the latter were among the parliamentarians who stood against the deportation of the Bulgarian Jews. Similarly ambiguous behaviour is observable with high-ranking members of the Orthodox clergy. Although the Church undeniably sought to protect the Jews as a minority and, in particular, the Christians of Jewish descent, the six letters written by its head (the Metropolitan of Vidin and a close acquaintance of Belev) are among the most direct demands for favouritism. The attraction of the CJA was prone to blur moral criteria.

Whilst reading the archives, one cannot but conclude that the most efficient tool and milieu for the normalisation of antisemitism was the economy. It operated through different channels.

The institutional nexus relied on the assumed ‘respectability’ of the state establishments. The majority of them were associated with those policies and with the corresponding myriad of compulsory economic acts required by the laws, deadlines and obligatory contacts with the CJA, mandatory administrative procedures, and everyday announcements in newspapers. All this produced a noticeable shift in the politically correct language. Antisemitism became a prized business argument and to declare loyalty to that ideology was rewarded.

But the key channel was *the corrupting economic logic, both personal and of the state*. The economy does not tolerate void and so the expropriated wealth was not annihilated. It was just redistributed according to new (ethnic) outlines. *The economics of state antisemitism was a perverse and infamous corroboration of the so well-known among economists Say’s law<sup>16</sup> according to which the offer creates its own demand*. New possibilities appeared within reach and the justification for the spoliation became simple: there were problems and needs; the ‘Jewish assets’ provided a solution and were fortunately next door; the new opportunities (it is imperative) had to be seized. Otherwise, one was in danger of being economically marginalised and eliminated by the competition, and market shares would be lost. This is, in substance, the main microeconomic message conveyed by the archives of the Bulgarian (though not exclusively) state antisemitism. Due in grand part to the economy, transgressing the moral demarcation line ceased to be an event for a great deal of people; the normally intolerable became acceptable; the divide between decent and indecent was more tenuous than ever. It is thus not surprising that the vigorous initial protests of the autumn of 1940 faded away and turned sporadic afterwards. With the outstanding exception of the towering figures of Dimiter Peshev, Petko Stainov, Nikola

<sup>16</sup> Formulated by the liberal French economist Jean-Baptiste Say (1767–1832).

Moushanov, and Sofia's Metropolitan Stephan, whose public action in March 1943 contributed decisively to making deportation from the kingdom politically too costly.<sup>17</sup>

The economics of antisemitism was premonitory as well. In a parliamentary discourse in July 1943, Nikola Moushanov formulated a lucid prophecy.<sup>18</sup> The anti-Jewish laws – he said – were deeply demoralising. They were laying the ground for communism because they violated property rights and thus provided precedents justifying an ideology that demonised private ownership, capital, and the bourgeoisie. The course of history validated his prediction. Following the September 1944 coup and the ensuing communist takeover, overwhelming nationalisation was enacted in late 1947.

More unexpectedly, foreshadows of post-communism could be found, too. 'Jewish assets' were de facto treated and distributed as state property, in many respects comparable to privatisation. It is thus understandable that some technicalities were similar. The financial privileges granted then to selected buyers, such as deadlines, grace periods, and credit, were reminiscent of the widely applied management-buy-out privatisation schemes. Many economic sins such as corruption, under-pricing, manipulated public offers, political interferences, or favouritism were also identical. In a sense, both episodes proved that the state cannot be a neutral and innocent redistributor of big stakes of property rights. Its behaviour in such circumstances is always uncontrolled and unavoidably biased.

17 At the time, Peshev, Stainov and Moushanov were all members of parliament. Moushanov, who had been Prime Minister from 1931 to 1934, and Stainov belonged to the opposition. Peshev was a vice-president of the National Assembly from the majority but was dismissed from this position after submitting a petition on 17 March 1943 against the deportation of Jews from the kingdom, which was signed by 43 MPs. The role of Peshev is the best known outside Bulgaria. See Gabriele Nissim, *Luomo che fermò Hitler* [The Man who Stopped Hitler], Milan 1998; Todorov, *The Fragility of Goodness*.

18 Minutes of the 25<sup>th</sup> National Assembly, fifth extraordinary session, 22 July 1943, 58.

Roumen Avramov  
Economist  
Center for Advanced Study Sofia  
[avramov@cas.bg](mailto:avramov@cas.bg)

Quotation: Roumen Avramov, The Microeconomics of State Antisemitism. Expropriating the Jews under Bulgarian Rule, 1941–1944, in: S.I.M.O.N. – Shoah: Intervention. Methods. Documentation 3 (2016) 2, 71-82.

[http://simon.vwi.ac.at/images/Documents/SWL\\_Reader/2016-2/2016-2\\_SWL\\_Avramov/SWL-Reader\\_Avramov02.pdf](http://simon.vwi.ac.at/images/Documents/SWL_Reader/2016-2/2016-2_SWL_Avramov/SWL-Reader_Avramov02.pdf)

SWL-Reader – Reader der Simon Wiesenthal Lectures

Copy Editor: Tim Corbett

**S:I.M.O.N. – Shoah: Intervention. Methods. DocumentatiON.**  
ISSN 2408-9192

Board of Editors of VWI's International Academic Advisory Board:  
Gustavo Corni/Dieter Pohl/Irina Sherbakova

Editors: Éva Kovács/Béla Rásky  
Web-Editor: Sandro Fasching  
Webmaster: Bálint Kovács  
Layout of PDF: Hans Ljung

S:I.M.O.N. is the semi-annual e-journal of the Vienna Wiesenthal Institute for Holocaust Studies (VWI) published in English and German.