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Boris Gehlen. *Paul Silverberg (1876-1959): Ein Unternehmer.* Stuttgart: Franz Steiner Verlag, 2007. 605 pp. EUR 78.00 (paper), ISBN 978-3-515-09090-2.

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A Weimar Armadillo

The Texas populist Jim Hightower likes to say that the only things in the middle of the road are yellow lines and squashed armadillos. Paul Silverberg was a powerful business leader who tried with growing desperation to find the middle ground in the Weimar Republic. When he failed to find a vital center and the Nazis seized power, Silverberg lost every position of authority, and fled into exile. Today he is forgotten by almost everyone except specialists on the period. Boris Gehlen relates that when he started this dissertation at the University of Bonn under Günther Schulz's direction, people asked "Paul who?-" Although there is plenty of source material including a substantial *Nachlass* at the Bundesarchiv Koblenz, no one had written Silverberg's biography. He was without doubt one of the most important businessmen in Germany, and sat on over sixty supervisory boards. Gehlen has written an exhaustive account that fills the gap.

There are three themes in this long book that are never fully integrated. This may reflect different perspectives that inevitably surface on a doctoral committee. There is a theme of business history theory that is especially prevalent in American business historiography. The subtitle *Ein Unternehmer* refers to Silverberg's position in an institutional business that had matured after the turn of the century. Businesses founded by towering entrepreneurs were developing into managed stock companies. Silverberg's training followed this pattern. He studied law and received a doctorate in that discipline. He completed his military service and became a civil servant in Cologne. His training was not as it might have been in earlier years, for example first working as a junior accountant, or even getting his hands dirty as a regular employee on the shop floor. He was a new type: the "Unternehmer." Perhaps the best English translation for this term is "manager," implying that he would be equally at home in business, politics, or the military. His father, Adolf, was a Jewish merchant in the Rhineland who founded a wool concern; in 1898 Adolf Silverberg had bought Fortuna AG für Braunkohlenbergbau und Brikettfabrikation. He suddenly died in 1903.

Paul Silverberg was neither an inventor nor an innovator. He was a deal-maker. Not long after inheriting control of Fortuna from his father, Silverberg engaged in horizontal integration; he took over two other Rhineland brown coal firms to create the Rheinische AG für Braunkohlenbergbau und Brikettfabrikation (RAG). Having created these economies of scale in the brown-coal business, Silverberg used his contacts in the Cologne city government to guarantee a customer for his new Rheinische Elektrizitätswerke AG (REW). The creation of these economies of scope by diversification also blocked the ambitions of Hugo Stinnes and August Thyssen, who had established their Rheinische-Westfälische Elektrizitätswerke (RWE) in the black-coal center of Essen and had been thinking about taking over the brown-coal areas and selling electricity to Cologne. Silverberg then centralized sales in a syndicate and standardized the coal briquette, further enhancing profits.

Gehlen does not engage in energy analysis. It is important to understand that brown coal (lignite) has much less carbon per volume than black coal (anthracite or bituminous). Brown coal therefore has a much lower ratio of energy return on energy invested (EROEI). This ball-and-chain problem mandated that Silverberg work harder to keep up with his Ruhr rivals, and perhaps contributed to his ultimate fall.

The second theme is Silverberg as a representative of the generation that matured in the early Wilhelmine empire. Other prominent members of this group included Konrad Adenauer, Gustav Stresemann, Hans Luther, Hjalmar Schacht, Friedrich Ebert, and Hermann Müller. Gehlen suggests that this generation was marked by "self-conscious patriotism and an authoritarian-patriarchal understanding of politics" (p.

58). However, Gehlen never develops this theme; indeed, perhaps the description does not fit Silverberg well, since he fled the country in 1933.

The third theme is Silverberg's involvement in German politics. This narrative soon dominates the book. From the time he was a teenager, Silverberg tried to find a safe, middle ground. When he was eighteen, for example, he converted from Judaism to Protestantism. There was no religious revelation at work. Silverberg did not turn to the Catholicism that dominated the Rhineland, the mainstream German/Prussian religion. His prewar political choice was National Liberal, the right-of-center party that generally followed the government line. In light of Silverberg's later fame, Gehlen might have spent more time examining his views of policies in the late Kaiserreich and assessed how that fits in with the generational thesis. Despite the lower EROEI, brown-coal workers were paid more than their Ruhr counterparts, and the heads of business did not shun socialist or Catholic labor union leaders. Silverberg opposed the war aim of annexation held by the Ruhr interests and the NLP. During World War I, he called for business/labor union cooperation.

Silverberg became a national business leader after the revolution of 1918. He called the time from fall 1920 to spring 1921 the high point of his life, where he had established a working relationship with the rival RWE and a strong friendship with its strongman Hugo Stinnes. He worked with Stinnes and others to stop the plans for socializing coal and electricity. Silverberg became a leading voice in the Reichsverband der deutschen Industrie (RDI). He joined ever more boards, and spoke out more on national politics. The culmination came in October 1932, when he was elected to head Cologne's Chamber of Commerce. Silverberg's interests became ever more fragmented, and unfortunately Gehlen's narrative also becomes more jumpy.

Silverberg remains best known for his 1926 speech to the RDI where he urged business-labor cooperation, and it appeared for a moment that perhaps the poisonous divisions would be set aside. To make sense of this speech, one must put it into broader context: Germany had suffered a sharp recession at the end of 1925 that ended when the left-of-center government of Luther and finance minister Peter Reinhold executed a countercyclical fiscal policy and stimulated the economy. Reinhold spoke to the RDI the day before Silverberg and brought down the house, suggesting more tax cuts for business and increased social benefits. The Nationalist Party (DNVP) joined the Marx government four months later and worked constructively until 1928. The DNVP's inability to gain higher farming tariffs, among other things, cost it dearly in the elections, and it lurched hard to the right, opening the final act of the Weimar tragedy.

Gehlen debunks some of the conspiracy theories that have swirled around Silverberg's supposed undermining of the republic. Silverberg was certainly involved with Luther and the Bund zur Erneuerung des Reiches that called for centralizing the Reich and enhancing the president's power. It goes too far to see this association, however, as a turn against democracy. In 1928, Silverberg contributed to a blueprint to create and structure a market for German debt that would have solved many problems. Also false is the charge leveled by former French ambassador André François-Poncet that Silverberg, Hjalmar Schacht, Thyssen, Albert Vögler, and Franz von Papen formed a cabal to forge a Nazi-Catholic Center government. Silverberg actually feared that the left wings of both parties could unite and strike against business. In October 1932, a group including Silverberg agreed to give its main financial support to the right-of-center German People's Party (DVP).

After that era, Silverberg was concerned with his own business problems. Friedrich Flick conspired with Thyssen to take control of Silverberg's core businesses by getting control of RAG and then merging the REW with the RWE. Vögler was chairman of the board of RWE and had promised not to work against Silverberg, but at some point he broke that promise. The corporate raiders promised RWE that liquidating the RAG component would lead to a dividend yield of 12 percent (versus the 10 percent given under Silverberg's leadership). Silverberg must have been bewildered when his forsaken Jewish heritage came to the fore. Thyssen's Nazi sympathies drove him to work against Silverberg. Silverberg's last hope was that much of the RAG stock was owned by the city of Cologne, but when the Nazis ousted his friend Konrad Adenauer, Silverberg was doomed. He lost his sixty-plus board positions in a matter of months. At age fifty-seven, the Weimar armadillo was squashed.

The ruined Silverberg kept his dignity. Nazi Kurt von Schröder offered him honorary Aryan status if he would support the Nazis, but Silverberg refused. In December 1933, he emigrated to Switzerland, and in July 1936 he renounced German citizenship for that of Liechtenstein.

What little is known of his personal life seems to be rather sad. He married a politically connected woman, and they had a daughter. Silverberg served as an officer in World War I. Upon his return from the western front

in 1917, he found his wife having an affair, and the pair divorced. He had cool relations with his daughter, who was openly gay but was protected from the Nazis by Hans Thyssen. His sister Anna, who remained Jewish, threw herself in front of a train in 1938. During World War II, the Reichsbank confiscated his stock and threatened his daughter if he did not also turn over his Swiss-held stock. Bitter and depressed, he did not return to Germany after 1945, despite Adenauer's entreaties. In other examples of his apparent frustrations with Germany business and political practices, he opposed the Schuman Plan and Adenauer's European integration policies.

Gehlen is thorough in his account. What were Silverberg's options? There were probably none. Like most German Jewish patriots, there was no place for him in Nazi Germany. He tried his best over the course of the republic to nudge the captains of industry towards moderation, but with little success. A strident tone would not have helped. Possibly, it would have made a difference if, in 1920, he had announced he was a full supporter of coal nationalization. Such a significant statement might have altered the power structure enough to keep the Nazis out, if Silverberg could have counted on allies in such a venture. Gehlen leaves such questions open.

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