



The Political Economy of the Frankfurt School

Christian Fleck¹

Accepted: 7 November 2022 / Published online: 15 December 2022
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Abstract

The paper presents the findings of two recent books on the financial history of the Frankfurt School: Jeanette Erazo-Heufelder, *Der argentinische Krösus: Kleine Wirtschaftsgeschichte der Frankfurter Schule*, 2017, and Bertus Mulder, *Sophie Louisa Kwaak und das Kapital der Unternehmerfamilie Weil. Ein Beitrag zur Wirtschaftsgeschichte der Frankfurter Schule*, 2021 (Dutch original 2015). In contrast to the “court histories” of the school, the two authors tell the story of the money that brought the school to life and secured its existence throughout a turbulent period of history. At the center of the books are individuals who have been sidelined until now or even completely ignored by the literature on the Frankfurt School: on the one hand, Felix Weil, who founded and financed the Institute of Social Research and, on the other hand, Erich A. Nadel and Sophie L. Kwaak, two employees of the holding company who managed the accounts of the Weil family and the Institute’s foundations and were responsible for protecting the assets from being seized by Nazis. The books’ thick descriptions induced the author of the present paper to consider an alternative perspective on the Frankfurt School by contemplating Max Horkheimer and Friedrich Pollock as playing confidential games with Weil and others.

Keywords Max Horkheimer · Sophie Kwaak · Erich Nadel · Friedrich Pollock · Felix Weil · Con man · Frankfurt School · Deviant behavior in inexact sciences

“The money goes ‘round and around and around – And it comes out here.”

The Kinks, *The Moneygoround*, 1970

“Another aspect of the changed situation under state capitalism is that the profit motive is superseded by the power motive.”

Frederick Pollock, *State Capitalism* 1941¹

Several labels circulate for a group of German intellectuals, variously known as members of the Frankfurt School, Critical

Theorists, Western Marxists, Neo-Marxists, Hegelian Marxists, residents of the Grand Hotel Abyss,² or, during their exile in the USA, simply the Horkheimer circle. In studies that celebrate these scholars, authors often use the neutral term “Institute,” mainly because the official title of the endeavor has been the “Institute for Social Research.” Its members and collaborators made use of the short form too.

Less than 10 years before the Institute went into exile in 1933, it had started as an endowed university professorship adjunct to an independent research institute which also

¹ Frederick Pollock, *State Capitalism*, *Studies in Philosophy and Social Science* 9.1941: 200–225, here: 207.

✉ Christian Fleck
fleck@ihs.ac.at

¹ Institute for Advanced Studies, Vienna, Austria

² Georg Lukács, *Die Zerstörung der Vernunft*, Neuwied: Luchterhand 1962, p. 219. “A beautiful hotel, equipped with every comfort, on the edge of an abyss, of nothingness, of absurdity. And the daily contemplation of the abyss between excellent meals or artistic entertainments, can only heighten the enjoyment of the subtle comforts offered.” (Translation according to *The Theory of the Novel: A Historico-Philosophical essay on the Forms of Great Epic Literature*, translated from the German by Anna Bostock, Cambridge, MA: MIT Press 1971, p. 16)

contained a well-sorted library, located in a newly erected four-story building at Victoria Allee nearby Frankfurt's Goethe University. After 1933, members of the Institute went into exile and only three returned home after the war. Max Horkheimer, Friedrich Pollock, and Theodor W. Adorno were reinstated as professors at Goethe University. The last two were promoted, as it were, from their positions as unpaid *Privatdozenten* (the positions they occupied before the Nazi years): Adorno was promoted to full professor only in 1956 and Pollock as late as 1959. Horkheimer, formerly only a professor of social philosophy, was promoted to the chair of philosophy and sociology. The Institute's home had been flattened by Allied bombs and had been rebuilt mainly with the help of American government money. Since its reopening in 1951, the *Institut für Sozialforschung* has been operating from there.

Over the last half century, the history of this group, its members, and their impact have been told numerous times. Martin Jay, the first of the Institute's chroniclers, had the fortune to consult members and associates of the Institute who were still alive at the time; later authors made more use of the papers of Horkheimer, Pollock, and others. However, because of its authoritative interviews and the text's almost immediate translation into German, Jay's *The Dialectical Imagination* reached the status of an authorized history, until Wiggershaus's monumental history replaced it.³

The material base on which the Institute has been founded rarely got more consideration than Bertolt Brecht's famous ridicule concerning his neighbors in the Hollywood hills during their joined exile in the 1940s: "a rich old man [Hermann Weil, the speculator in wheat] dies; disturbed at the poverty in the world, in his will he leaves a large sum to set up an institute which will do research on the source of this poverty, which is, of course, himself."⁴ Brecht erred slightly, but most professional historians did not do any better. As a matter of fact, the financial history of Critical Theory has never been treated in depth. Such neglect is even more surprising given the fact that the founding members of the Institute saw monopolistic capitalism around every corner. Strangely, however, their own role as profiteers from capitalist enterprises, speculation, and gain never evoked much interest.

Having said that, two more recent publications reveal telling details of the financial history of the Institute, some of

which would almost qualify as movie scripts.⁵ Jeanette Erazo-Heufelder and Bertus Mulder are the first who dug into the material base of the Institute, and their findings give reason to demand further excavation. In what follows, I will concentrate merely on the institutional side of the Institute's finances and then draw some conclusions with regard to the changing balance of power between the donor and the beneficiaries.

Brecht was of course right in naming Hermann Weil as the person who originally financed the Institute (but he did it before his death). The German-born merchant had made a fortune trading wheat from Argentina. In 1907, he returned with his family to Europe at the age of 37 and settled in Frankfurt. His son Felix (born in 1898) studied economics. Felix became radicalized during World War I and moved politically to the far Left. Before that, Felix had become very rich due to an inheritance from his mother who died of cancer when he was only 14 years old. Weil Sr. had been open-minded and donated a reasonable amount of his own wealth to Goethe University. One of the donations established what his son had suggested to him: an independent institute whose purpose would be to conduct "social research." In return for all these donations, Hermann Weil became a *Doktor honoris causa*. It was no great secret that the new institute's aim and purpose was to promote a Marxist academic agenda. The university, the Prussian ministry, and the city of Frankfurt accepted the donation, fully aware of its donors' political orientation and scholarly interests.

The institute's first director, Kurt Gerlach, died before he could take over, so right from the start, the founders were forced to search for a suitable replacement. They found it in Carl Grünberg, an economic historian and labor history expert, including labor's political programs such as socialism and communism. Grünberg was also the editor of the well-regarded *Archiv für die Geschichte des Sozialismus und der Arbeiterbewegung* [Journal for the History of Socialism and the Labour Movement], which he founded in 1910, just a year after he had become professor at the University of Vienna. Grünberg took over his new position in Frankfurt in 1924, both as a university professor in the Faculty for Economics

³ Martin Jay, *The Dialectical Imagination: A History of the Frankfurt School and the Institute for Social Research 1923–1950*, Boston: Little, Brown & Co 1973; first German translation, Frankfurt: S. Fischer 1976. Rolf Wiggershaus, *The Frankfurt School: Its History, Theories, and Political Significance*, Cambridge: The MIT Press 1995, German original: 1986.

⁴ The entry is dated 12 May 1942 and Hanns Eisler is named as the originator of the plot: Bertolt Brecht, *Bertolt Brecht Journals, 1934–55*. Translated by Hugh Rorrison, edited by John Willett, London: Bloomsbury 2016, p. 230. The use of small letters is Brecht's habit throughout his journals.

⁵ Jeanette Erazo-Heufelder, *Der argentinische Krösus. Kleine Wirtschaftsgeschichte der Frankfurter Schule*, Berlin: Berenberg Verlag 2017 and Bertus Mulder, *Sophie Louisa Kwaak und das Kapital der Unternehmerfamilie Weil. Ein Beitrag zur Wirtschaftsgeschichte der Frankfurter Schule*, Göttingen: Wallstein Verlag 2021 (Dutch original: 2015). For readers unfamiliar with German, my book review summarizes Erazo-Heufelder's findings: Christian Fleck, book review of Erazo Heufelder, *Serendipities. Journal for the Sociology and History of the Social Sciences* 3. 2018 (1): 58–62. <https://doi.org/10.25364/11.3:2018.1.8>. Because of language incompetence, I was not able to consult Mario Rapoport, *Bolchevique de salón: vida de Félix J. Weil, el fundador argentino de la Escuela de Frankfurt*, Buenos Aires: Debate 2014.

and Political Sciences and as the director of the Institute. His office was located on the same floor of the new building as that of the president of the foundation, Felix Weil. The two men even shared a secretary.

While endowments were rare in Germany's higher education system at the time, this did not apply to Frankfurt, where the newly founded university had come into existence only because wealthy businesspeople had made significant donations. When Felix Weil negotiated with officials in Frankfurt, he promised to pay for the construction of a new building and the library himself; his father would finance personnel and the rest. The sponsoring organization, the *Gesellschaft für Sozialforschung* (Society for Social Research), would pay for Grünberg's income as a university professor, while all other costs would be taken care of by the head of the foundation, Felix Weil.

In contrast to American-style foundations that usually operated with capital stock and financed their daily activities from dividends, interest rates, and other stock market revenues, the Frankfurt *Gesellschaft für Sozialforschung* functioned as an income-based foundation only: the Weils agreed to pay a fixed amount of money annually for the professorship and the Institute. By today's rates, the equivalent of half a million dollars were transferred annually to the accounts of the *Gesellschaft*. No obligation to publish balance sheets existed back then, and it is safe to assume that only a small group was familiar with the particularities of the financial arrangements. Initially, only Weil, Grünberg, and Friedrich Pollock as the Institute's administrator possessed information and agency with regard to the budget.

An initial adaptation of rules was necessary when Hermann Weil died in 1927. According to his will, his two heirs, Felix and his sister Anita, would continue to pay the costs for the Institute out of the *Hermann-Weil-Familienstiftung* (Hermann-Weil Family Foundation). During the first few years, the heirs stuck to their obligations without resistance.

Felix Weil's amount of wealth, his generosity, and his commitment to the Institute became obvious a year later when a stroke ruined Grünberg's capability to act as director-professor: Grünberg retired from both positions while Weil continued to secure his income as an emeritus professor. The Institute needed a new director.

Under Grünberg, the Institute had acted as an interlocuter between the German Social Democratic Party (SPD) and the newly founded Marx-Engels Institute in Moscow. Personally acquainted with his counterpart in Moscow, David Rjasanov—who had been a student of Grünberg's—the Institute negotiated an agreement which consisted of transferring to Moscow photocopies of the manuscripts of Karl Marx and Friedrich Engels, which the SPD still possessed. Rjasanov planned to publish the collected works of Marx and Engels in Russian and German, initially as a joint venture between the Frankfurt and the Moscow institute. The first volume of the

Marx-Engels-Gesamtausgabe (MEGA) appeared in 1927.⁶ At the time of Grünberg's retirement, the collaboration between Moscow and Frankfurt fell apart; the rise of Stalin and the start of the persecution of his adversaries also affected the Marx-Engels Institute.⁷

However, finding a replacement for Grünberg proved difficult. The revolutionary spirit of the Russian Revolution and similar upheavals in the West had calmed down, and Germany's academic establishment no longer saw a reason to be more open-minded towards the Left's agenda. At the same time, there were few candidates around who could step into Grünberg's shoes. Friedrich Pollock, who was a collaborator of the Institute from its start, acted as an interim director, but promoting him was inappropriate for several reasons. Lacking leadership qualities, he himself proposed his close friend Max Horkheimer instead who did not have any relationship to the Institute. The friendship between these two sons of Jewish industrialists ran deep, with Friedrich usually giving way to his better-performing and more ambitious friend Max (it is probably one of the very few friendships that formalized mutual responsibilities in a written contract⁸).

Horkheimer was, however, an almost unknown philosopher at the time, with no credentials in the social sciences, to say nothing about Marxism and related topics. It seems fair to assume that Felix Weil accepted Pollock's proposal to nominate Horkheimer as director because he preferred a collective leadership of the Institute and expected Horkheimer's subordination to this regulation. The university did not accept Horkheimer, primarily because he lacked the training to fill a chair, designated as "Wirtschaftliche Staatswissenschaften" (covering what nowadays would be economics and political science). Weil, however, proposed a solution. It consisted of financing a successor to Grünberg to be housed in one faculty and subsidizing a newly endowed chair in the Faculty of Philosophy. University officials and the philosophy professors accepted that proposal with the caveat that Horkheimer's denomination should be restricted to social philosophy. Finally, in 1931, Horkheimer gave his inaugural speech as director of the Institute, "The State of Contemporary Social Philosophy and the Tasks of an Institute for Social Research."⁹ The lecture itself lacked any political provocation, which was particularly

⁶ The business connections between the two sides were multifaceted: In the postwar inflation period, Grünberg sold his well-stocked library to Moscow's new institute. Felix Weil financed photographic work and reserved a second copy of the Marx manuscripts for the Institute. He also subsidized the publishing house Malik Verlag. See Erazo-Heufelder (2017), p. 78–83.

⁷ Helmut Dahmer, *Freud, Trotzki und der Horkheimer-Kreis*, Münster: Westfälisches Dampfboot 2020, p. 225–30.

⁸ See, for details, Philipp Lenhard, *Friedrich Pollock. Die graue Eminenz der Frankfurter Schule*, Berlin: Jüdischer Verlag im Suhrkamp Verlag 2019.

⁹ Max Horkheimer, The State of Contemporary Social Philosophy and the Tasks of an Institute for Social Research, in: *Critical Theory and Society: A Reader*, edited by Stephen E. Bronner and Douglas M. Kellner, New York: Routledge 1989, p. 25–36 (German original 1931).

noticeable in light of Grünberg's own inaugural speech in which he had confessed to being a Marxist.

The *Hermann Weil Familienstiftung* was rich enough to finance three professors. Grünberg received a pension until his death in 1940,¹⁰ while his two successors taught at Frankfurt for only 2 years: the economist Adolf Löwe (later Adolph Lowe) and the social philosopher Horkheimer. Both became victims of the Nazi decree banning Jews and political undesirables from holding positions at universities after 1933.

Economically, the Nazi seizure of power prevented the Weils from spending money because Lowe did not remain on their payroll (he continued as a professor first at Manchester and later at the New School of Social Research in New York). The Institute lost its building and the library to the Nazis. The building became home to the Nazi students' organization, and the books were distributed to other libraries.

The staff of the Institute went into exile. Weil had managed for the Institute to remain financially viable and operative. In Geneva, Switzerland, a branch office had been installed months before Hitler became chancellor. Also, clandestinely, the *Gesellschaft für Sozialforschung* had been replaced by the *Société Internationale des Recherche Sociales* (SIRES). Only a few people would have been aware of the realities behind such operations, and even the Nazi bureaucracies failed to get hold of the Institute's money.

Traditionally, the Weil family had close business connections with Rotterdam. The Argentinian branch of the family business had been changed from a firm named after its founders, Hermanos Weil, to the *Sociedad Anónima Financiera y Comercial* (SAFICO). Eight shareholders of the old firm moved their holdings to this new joint-stock company, of which Felix and his sister held 50%. SAFICO stopped trading wheat and turned into an investment business, buying stocks, firms, real estate, etc.

Businesspeople sometimes act with the stereotypical diligence of a prudent businessman. Those responsible for the Weil empire exemplified this behavior and established the *Rotterdamse Belegging- en Beheermaatschappij* (ROBEMA) as early as in July 1932. It functioned as a container for all activities of the Weil family and the heirs of Hermann Weil. As a further precautionary measure, ROBEMA used a completely anonymous accounting system. The *Weil Familienstiftung* and the Frankfurt *Gesellschaft für*

Sozialforschung, together with the Geneva-based SIRES, became simply accounts XI and XII at ROBEMA.¹¹

ROBEMA's administrators were potential weak links, the only ones possessing knowledge of the true owners of the anonymous accounts.¹² And here enter two individuals who were completely ignored up until now: Erich Arthur Nadel (1895–1972) and Sophie "Fietje" Kwaak (1901–90). Their names are not mentioned in any of the studies published on the Institute, nor did any author inquire about the role of SIRES and ROBEMA for the blossoming of the exiled Institute.

Nadel, a German who had served 4 years in the trenches of World War I and who had become disillusioned with the German leadership when agitation against so-called Jewish quitters began, emigrated to the Netherlands after the war. Felix Weil and his business associates appointed him as the director of ROBEMA shortly before the Nazis came to power in Germany. The task of hiding Jewish money from Nazis motivated Nadel greatly; he managed the Weil money and accounts professionally and under great risk until he himself had to seek refuge and escape to the USA.

Kwaak had been employed as a secretary since the beginning of ROBEMA and, after Nadel had to flee, took over the directorship. She managed to secure the business and its funds without any further damage or loss. In particular, after the Nazi invasion into the Netherlands in 1940 and the subsequent decrees for the Aryanization of Jewish belongings, Kwaak, managed to safeguard the investments and holdings of the Weil family and the Institute. Everything seemed to work in favor of the exiled Institute, despite Germany's ever-tightening grip. However, greed and quest for power brought further complications.

When Felix's sister Anita remarried in 1934, her new husband strived to get hold of his wife's money. The heated conflict between Felix and his sister and the new brother-in-law, respectively, ended a year later with an agreement: Anita had to pay the Institute a downpayment of 2.5 million Swiss Francs (or approximately 16 million dollars in today's value), which approximates her contractual obligations to the Institute's budget for a period of 20 years. With this payment, she would be free of any future obligations towards the Institute. Besides the business solution, the relationship between the Weil siblings remained broken until shortly before Anita's death.

¹⁰ Wolfgang Schivelbusch, *Intellektuellendämmerung. Zur Lage der Frankfurter Intelligenz in den zwanziger Jahren*, Frankfurt: Suhrkamp 1985, p. 120–125, claims that Goethe University paid it initially and got reimbursed from the *Gesellschaft für Sozialforschung*, whereas Mulder (2021, p. 95) indicates the existence of a separate pension account for Grünberg and his wife at a bank in Rotterdam since 1924. Mulder also reports that Pollock wanted to cut Grünberg's pension in 1936. The son, Emile Grünberg, then living in the USA, protested against it and was expelled from the association running the Institute as revenge (Mulder 2021, p. 96).

¹¹ The office in Geneva was later completely closed; presently, it is not known whether there were still bank accounts in Switzerland belonging to the Weils or the Institute's network of agencies and organizations. Erazo-Heufelder (2017), p. 143, writes without further details that in 1939 Weil transferred money from a bank account in Switzerland to New York.

¹² Today's money laundering regulations would not allow for what happened in Rotterdam from 1932 until well into the 1950s.

Around the same time, Felix Weil donated his share of the *Weil Familienstiftung* directly to SIRES. The share consisted of approximately 16 million dollars (in today's value) with the aim to develop Critical Theory, even though it was by then only a vague promise. Beyond that, Weil gave about one seventh of his entire assets to SIRES; he further promised the rest as a conditional gift after his death. Thus, Weil expropriated himself nearly completely. As a counter to his generosity, Felix did not gain anything and lost his former influence and decision-making power to his "friends" Horkheimer and Pollock. Whereas Weil had his own office side by side with the director in Frankfurt, the exiled Institute did not reserve any space for him when it resettled in New York City.

Because Weil lived for a while in Argentina during the 1930s, Pollock took over Weil's position as the director of SIRES.¹³ Whichever interpretation is true, sometime after 1936, Pollock managed to get hold of the money that Nadel and Kwaak had transferred to accounts in the USA up until 1940. Rotterdam's ROBEMA account had deposits in today's value of approximately 14.5 million dollars, which was the smaller portion of the Institute's wealth.

Pollock, with the obvious blessings of Horkheimer, reorganized the Institute's finances by channeling the money into three different American foundations: the Kurt Gerlach Memorial Foundation, named after the designated founding director who died before he could take over the office; the new Hermann Weil Memorial Foundation; and a Social Studies Association. Pollock also established the new SOGRES Corporation and SIRES Realty Corporation, which were used to make money on Wall Street. Two other firms under the leadership of Pollock, named Greyrock Park in Sound Inc. and Alden Estates Inc., helped to invest in or speculate with real estate.¹⁴ Even more firms and foundations were around to support Horkheimer and Pollock: Wiggershaus hints cautiously at one money transfer into an unnamed fund that only Horkheimer could access.¹⁵

From about 1937 onwards, Pollock himself managed the Institute's funds. Nadel was sidestepped when he arrived in the USA. It seems that the takeover by Pollock was accompanied by a change in the investment strategy. While ROBEMA proceeded cautiously, Pollock started riskier tactics.

¹³ Without further details, Wiggershaus regards Pollock only as an "executive agent to Felix Weil" (1986, p. 108).

¹⁴ Astrid Hansen, *Der Philosoph und der Architekt: Theodor W. Adornos und Ferdinand Kramers Auseinandersetzung über die Ästhetik des Bauens*, in: *Die Frankfurter Schule und Frankfurt: Eine Rückkehr nach Deutschland*, ed. Monika Boll, Göttingen: Wallstein 2009, p. 196, reports that the architect Ferdinand Kramer acted as vice president of Alden Estate and developed an area in Port Chester, N.Y., where he and some members of the Institute lived. Kramer returned to Frankfurt and was responsible for several university buildings there.

¹⁵ According to Wiggershaus (1986, p. 261), Leo Löwenthal, another Institute member who had found refuge in the USA, declined to serve as a trustee of the Institute and transfer \$50,000. Without further details, this case remains opaque.

After 1939, Fietje Kwaak was not in a position to receive orders, mainly due to the war. She was, however, an "agent" who did not need to get instructions from her "principals." With cunning and ingenuity, she fooled the occupiers. She could have done otherwise without being blamed a coward. Her dedication to save ROBEMA followed a moral code that did not seek broad acknowledgment. Mulder goes so far as to see the company as Kwaak's child surrogate.

On the other side of the Atlantic, the soloist in speculative economics Pollock lost about one million dollars in 1937 alone (in today's value, this would be around 19.5 million). The historians of the Institute hide these losses behind vague wordings.¹⁶ To give an impression of the value that Pollock lost, one could mention that it equals the amount of 250 one-year support payments that the Emergency Committee in Aid of Displaced Foreign Scholars allocated to its recipients at the time.¹⁷

Again, Weil stepped in and donated another \$100,000 to the Institute. Horkheimer thanked him in a letter but continued to downsize the Institute to a mere unit subsidizing him, his buddy Pollock, and his new philosophical handyman Adorno. All the other members of the Institute were pressed or persuaded to find a source of income elsewhere. Those who were still in Europe perished because, as Ulrich Fries has recently shown, Horkheimer declined to pay for the ship transfer for Walter Benjamin¹⁸ or to help Andries Sternheim to survive in Switzerland. Sternheim had to return to the Netherlands and died in the Holocaust¹⁹; Benjamin committed suicide on the French-Spanish border.

Later on, Horkheimer was forced to accept a paid position as a white-collar employee at the American Jewish Committee to direct the Studies in Prejudice project.²⁰ Such alienated

¹⁶ Jay (1973, p. 167–8): "Unsuccessful investments in a bear market, a disastrous real estate transaction in upstate New York, and the distribution of considerable sums of money to other refugees on the Institute's enlarged staff resulted in a limitation of its financial options." Wiggershaus (1995, p. 249): "The recession year of 1938 did not bring any improvement, but rather a drastic deterioration, for which Pollock himself, by his own confession, was responsible".

¹⁷ Christian Fleck, *Etablierung in der Fremde: Vertriebene Wissenschaftler in den USA nach 1933*. Frankfurt: Campus 2015, chapter 2. Jay's casual remark about the money spent by the Institute for fellow refugees lacks evidence but was repeated by later authors.

¹⁸ Ulrich Fries, *Letzte Postkarte von einer anderen Reise*, in: *Sinn und Form* 2019a (6): 846–850; Ulrich Fries, *Wie Max Horkheimer und Theodor Adorno das erste Mal versäumten, Walter Benjamin das Leben zu retten*, in: *Flandzju* 11.2019b (2): 105–132; Ulrich Fries, *Ende der Legende. Hintergründe zu Walter Benjamins Tod*, *The Germanic Review: Literature, Culture, Theory*, 96.2021 (4): 409–441, DOI: <https://doi.org/10.1080/00168890.2021.1986802>.

¹⁹ Bertus Mulder and Lolle Nauta, *Working Class and Proletariat: On the Relation of Andries Sternheim to the Frankfurt School*, in: *Praxis International, A Philosophical Journal* 9.1990 (4): 433–445; Bertus Mulder, *A Dutch Diamond Worker in the Frankfurt School of Sociology*, in: *The Netherlands' Journal of Social Sciences* 28. 1992 (2): 127–140.

²⁰ Christian Fleck, *A Transatlantic History of the Social Sciences: Robber Barons, the Third Reich and the Invention of Empirical Social Research*. London: Bloomsbury Academic 2011, chapter 6.

labor quickly became too much for him, and he returned after half a year to his house on the West Coast, for presumed reasons of health.

In 1949, Horkheimer accepted an offer to return to Goethe University, followed by his friend Pollock and Adorno. A look at the financial situation of the Institute makes it clear that they needed to return to their hometown because the funds had evaporated, and remaining in the USA would have required them to find an ordinary job. The Germans were given the impression that the returnees were making a great sacrifice if they returned voluntarily to the country of the murderers.²¹ To fellow exiles who did not follow the same path, the argument was that they wanted to participate in the re-education of the Germans. For nearly a decade, Horkheimer appeared in many roles and functions: as rector of Goethe University, visiting professor in Chicago, advisor for politicians and bureaucrats, and public intellectual. German critics of the Frankfurt School claimed that Adorno and Horkheimer acted even as the “intellectual founders of Germany’s Federal Republic.”²²

It seems ironic: Kwaak who had singlehandedly prevented ROBEMA from being robbed by the Nazis performed financially better during the occupation than Pollock on Wall Street. As the last transaction of ROBEMA, Kwaak transferred several thousand German marks to Pollock in 1963. The money came from dividends for the years 1941 to 1944 from IG Farben, the famous business conglomerate that had been broken apart after 1945 because of its close collaboration with the Nazi system.

Neither Nadel who remained in the USA nor Kwaak received any thanks from the Institute, nor was there any official recognition by the Institute or any of the historians who have written its history.

Weil died in 1975 in an economic situation which one could only call poverty. The main beneficiaries of this self-expropriation were two men who pretended to be his friends, Horkheimer and Pollock. They managed to use Weil’s money to fund a life of luxury over a very long period of time, starting with a house in the suburbs of Frankfurt in the 1920s, to condominiums in Manhattan, a newly built bungalow in Pacific Palisades, and lastly, since 1957, residences in Montagnola in the Tessin region of Switzerland (finally, Pollock married a cousin of Felix who did not donate money to any opaque enterprise but rather enjoyed it herself; Pollock died in 1973).

Horkheimer promised to deliver his critical theory of the present from the early 1930s until his retirement in the south of Switzerland. Pollock was more modest and stopped

publishing seriously when he cast aside Weil as the director of the imperium of associations, foundations, and corporations. Until his retirement, he helped his friend Horkheimer to concentrate his energy on running a network of intrigues, documented in the four volumes of his correspondence, instead of writing the promised “New Logic,” “Critical Theory,” or whatever.²³

One of Horkheimer’s remarks that is still quoted long after his death in 1976 insisted that “whoever is not willing to talk about capitalism should also keep quiet about fascism.”²⁴ Looking into the political economy of the Institute, the institution Horkheimer presided over between 1931 and 1957, one is inclined to respond: “whoever is not willing to talk about the material base of the Institute should also keep quiet about Critical Theory.”²⁵ The political economy of the Frankfurt School was not hidden in papal archives as both Erazo-Heufelder and Mulder prove in their well-researched histories.

People who met Horkheimer, even those who were critically disposed, remembered him as an impressive individual, a true German professor. Some even referred to the concept of charisma to explain Horkheimer’s interpersonal successes. After reading Erazo-Heufelder and Mulder’s work, one starts considering alternative interpretations of this man and his doings.

The evidence for cleaning out the sponsor of the Institute from the side of the intellectual and the administrative manager is overwhelming. It might have not been entirely perceptible to contemporaneous observers, but it can obviously be reconstructed from the files available for historians and others interested in the case. Why did generations of admirers of the Institute just ignore these facts?

There is an abundance of evidence in novels, movies, and other sorts of popular entertainment to expose swindlers, so-called con men as artist-like impression makers. Interestingly enough, serious academics seem to shy away from considering the existence of similar problematic performers inside the ivory towers of the humanities. They see deviant behavior of academics only in the hard sciences. They are wrong.

Suggesting that an important person in the history of ideas should be regarded as a trickster not only arouses the

²¹ Proxy for others: *Die Frankfurter Schule und Frankfurt: Eine Rückkehr nach Deutschland*, ed. Monika Boll, Göttingen: Wallstein 2009.

²² Clemens Albrecht, Günter C. Behrmann, Michael Bock, Harald Homann and Friedrich H. Tenbruck, *Die intellektuelle Gründung der Bundesrepublik. Eine Wirkungsgeschichte der Frankfurter Schule*, Frankfurt: Campus 2000.

²³ His pupils nevertheless managed to collect all papers written by him or at his request in a collection of nineteen volumes of Collected Works, published with S. Fischer in Frankfurt (Horkheimer 1985–1996).

²⁴ Max Horkheimer, Die Juden und Europa, in: *Zeitschrift für Sozialforschung* 1939 (1), 114; English translation according to: *Critical Theory and Society: A Reader*, edited by Stephen E. Bronner and Douglas M. Kellner, New York: Routledge 1989, p. 78.

²⁵ Examples of relatively recent comprehensive publications in English and in German could be named vicariously for those who do not conform to this maxim: John Abromeit, *Max Horkheimer and the Foundations of the Frankfurt School*, Cambridge: Cambridge Univ. Press 2011, Stuart Jeffries, *Grand Hotel Abyss: The Lives of the Frankfurt School*, London: Verso 2016. Emil Walter-Busch, *Geschichte der Frankfurter Schule: Kritische Theorie und Politik*, München: Wilhelm Fink 2010; Rolf Wiggershaus, *Max Horkheimer: Unternehmer in Sachen “Kritische Theorie,”* Frankfurt: Fischer 2013.

vehement protest of partisans of that very person, but also probably triggers resistance on the part of the less partisan. To the vast majority of those who are morally on safe ground, it seems sacrilegious to even hypothetically consider that there may be deviants in their highly conforming community after all. This undermining of commonly shared beliefs may perhaps be more readily condoned when framed as a hypothesis. In other words: I am not sure that Max Horkheimer was a trickster, but it seems to me that his most important actions, especially the recognizable implicit strategy and tactics employed, give sufficient reason to at least consider explanations other than those already in circulation.

So, in the world of social theory and social research, how would one be able to recognize a con man?²⁶ A con man, especially in American literature, is someone who masters more or less sophisticated games to which he invites his presumptive victims with the promise of extraordinary gains. In the end, of course, the victim, called the “mark,” loses. The perpetrator, called the “operator,” usually has helpers. These “coolers” try to prevent the victim from making a fuss, even going to the police or otherwise attacking the con man’s status. The basis on which the con of the “mark” becomes possible in the first place is that the “operator” gains the trust of the “mark.” In other words, if you want to succeed as a con man, you have to be able to win over your future victims, to wrap them around your finger. Maria Konnikova has collected a large number of examples in her extensive study of the confidential game.²⁷ Each of her con men was indeed an artist of misdirection and impression management.

Can the model of the con man, or the confidence game, be applied to intellectual history? If this were possible, one could close an obvious gap in the theory of the human sciences, which can be seen in the fact that the question of possible deviant behavior has remained a desideratum. In disciplines that are considered “hard,”²⁸ this gap is filled by those who manipulate or even invent data. One of the last spectacular cases was that of the Dutch social psychologist Diederik

Stapel. In the reports about him, the term “con man” was used.²⁹ The financial history of the Frankfurt School, started out by Erazo-Heufelder and Mulder, could become a Kuhnian exemplar³⁰ for a new specialty in the sociology of deviant behavior in the human sciences.

Acknowledgements The author wants to express his gratitude to the following individuals who read an earlier version and shared their comments with me: Christian Dayé, Andreas Hess, Barbara Hönig, Andreas Kranebitter, Thomas König, Eva Stina Lyon, and Matthias Revers.

Funding Open access funding provided by Institute for Advanced Studies Vienna.

Declarations

Conflict of Interest The author declares no competing interests.

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²⁶ The con man (or confidential man) has been initially studied at the street level, where tricksters and other street dwellers made their fortunes by leading a person astray. Independently from the early Chicago School, Erving Goffman made use of this situation in his early paper, On Cooling the Mark Out, *Psychiatry* 15.1952 (4): 451–463, doi: <https://doi.org/10.1080/00332747.1952.11022896>. The only scholarly application of this concept I was able to identify is an ironic how-to-do directive by Francis J. Kerins, The Academic Con-Men: Advice to Young College Professors, *The Journal of Higher Education* 50. 1979(4): 439–444.

²⁷ Maria Konnikova, *The Confidence Game: Why We Fall for It ... Every Time*, East Rutherford: Penguin 2016.

²⁸ Quite recently, Shapin showed that the distinction between hard and soft branches of scholarship originated in the soft branch: Steven Shapin, Hard science, soft science: A political history of a disciplinary array, in: *History of Science* 60.2022 (3):287–328. doi:<https://doi.org/10.1177/00732753221094739>.

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³⁰ Thomas S. Kuhn, Postscript to the second edition, *The Structure of Scientific Revolutions*, Chicago: University of Chicago Press 1970, p. 187.

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Christian Fleck Fellow at the Institute for Advanced Studies (IHS), Vienna, Austria. He was president of the Austrian Sociological Association (2005-09) and the ISA's Research Committee History of Sociology (2006-10).

Most recent publications: *Shaping Human Science Disciplines* (Palgrave Macmillan 2018); *Sociology in Austria* (Palgrave Macmillan 2016); *Etablierung in der Fremde* (Campus 2015).