

**Ministers' conference on 20 August 1935 concerning the next steps in anti-Jewish policy<sup>1</sup>**

Memorandum from the Gestapo Central Office (II 1 B 2), unsigned, dated 20 August 1935 (draft)<sup>2</sup>

*Report* on the conference held on 20 August 1935 in the Reich Ministry of Economics to discuss the practical solution to the Jewish question.<sup>3</sup>

Reichsbank President Dr Schacht presided over the meeting. [...] <sup>4</sup>

Reichsbank President Schacht opened the meeting<sup>5</sup> and stated that the Jewish question is beginning to disrupt the economy, so that he has serious doubts regarding the accomplishment of the tasks he is responsible for. This situation, Dr Schacht explained, forces him to ask the heads of the other ministries to firstly give a general outline of their intentions and wishes with regard to the Jewish question, because the present anarchic state of affairs is making it impossible to resolve the economic issues incumbent upon him.

Next, Dr Schacht, citing several specific examples, went into the difficulties that the present way of handling the Jewish question is causing for the economic reconstruction of the Reich. He pointed out, among other things, that foreign diplomats have repeatedly been verbally harassed while in a Jewish-owned department store in the eastern part of the Reich, and that this very department store is one of the best providers of foreign currency. Gauleiter Streicher's demand that Jewish representatives of German firms abroad be recalled, he said, is an impossible one. These firms have been advised to get rid of their Jewish agents. However, this is utterly impossible, he said, because all world trade is in Jewish hands, so that when a Jewish representative abroad is eliminated, the

1 RGVA, 500k-1-379, fols. 75-85. This document has been translated from German.

2 The original contains handwritten changes and notes, including: 'SD', 'prepared and enclosed on 30 August, removed on 31 August 1935, Fir'. The draft was prepared on two typewriters.

3 On 13 August 1935 Schacht had invited all the departments to the conference on the grounds that the heightened struggle against Jewry was also affecting Aryan businessmen and workers, as well as the overall economic interests of the German people. In an express letter dated 15 August 1935, Schacht changed the meeting to a top-level conference because the issues to be addressed were of such significance for financial and economic policy: BArch, R 41/24, fols. 73-74. See Hartmannsgruber (ed.), *AdR*, part 2, vol. 2, p. 742, fn. 1.

4 The list of participants appears at this point in the original: Reich Minister of the Interior Frick, Reich Minister of Justice Gürtner, Prussian Minister of Finance Popitz, State Minister Gauleiter Adolf Wagner, State Secretary von Bülow (Reich Foreign Office), State Secretary Krohn (Reich Ministry of Labour), State Secretary Backe (Reich Ministry of Food and Agriculture), Reichsleiter Groß (Racial Policy Office of the NSDAP), Ministerial Director Haegert (Reich Ministry of Public Enlightenment and Propaganda), and SS-Gruppenführer Heydrich (Gestapa), as well as additional unnamed representatives of the Reich Ministry of the Interior, Reich Ministry of Justice, Ministry of Transport, Reich Foreign Office, staff of the Deputy of the Führer, Advertising Council for the German Economy, Reich commissioner for banking, and SD.

5 Additional transcripts of the meeting exist: Notes by Lösener (Reich Ministry of the Interior), BArch, R 1501/5513, fols. 3-4. Published in Hartmannsgruber (ed.), *AdR*, part 2, vol. 2, pp. 742-746. See also: Notes by Legation Counsellor Röhrecke (Reich Foreign Office), 21 August 1935, *Akten zur deutschen auswärtigen Politik 1918-1945*, series C: 1933-1937, vol. 4, no. 1: 1. April bis 13. September 1935 (Göttingen: Vandenhoeck & Ruprecht, 1975), pp. 559-561.

foreign customer base is almost always lost to the German business, and these customers, along with the representatives who have been let go, switch over to the Jewish competitors.

Dr Schacht very sharply opposed the anti-vaccination articles in the newspaper edited by Gauleiter Streicher, *Volksgesundheit aus Blut und Boden*,<sup>6</sup> and in so doing pointed out in particular that the German chemicals industry has suffered a colossal loss as a result of this publication. In addition, he said, it is madness to disparage the reputation of a prominent German scholar by making the bogus claim that this scholar (Dr Robert Koch)<sup>7</sup> was married to a woman who was half-Jewish.<sup>8</sup> The anti-Jewish riots, Dr Schacht continued, have also had a serious effect on business at the East Prussian Trade Fair. Also incomprehensible to him, he said, is the bathing ban on Jews that has been decreed in Leipzig.<sup>9</sup> If one expects commissions for German industry from the Jews at the fair, one must, after all, at least give them an opportunity to bathe somewhere.

Dr Schacht further explained that it is not just buying from Jews but also selling to Jews that is prohibited. This also includes selling groceries to Jews. 'I do not hesitate', Dr Schacht continued, 'to describe such a course of action as barbarity of the worst sort.'

'The antisemitic excesses have not only led to numerous suspensions of payments by Jewish businesses but have also resulted in a most alarming way in the redundancies among Aryan personnel. The German Labour Front has even threatened workers who dared to buy more cheaply from Jews with the loss of their jobs. This Jewish campaign is now spreading to the department stores as well, no matter if they are in Jewish or in Aryan hands. Here one can no longer speak of a struggle over world views; rather, only the crass competitive intentions of the NS-Hago are present here.'

Dr Schacht further stated that, contrary to the existing regulations of the Reich, the municipal authorities are switching over to neither awarding contracts to Jewish firms nor making purchases from them. In Riesa, he said, the local municipal authorities have ordered their officials not to buy in Jewish shops any longer, otherwise the most severe disciplinary punishments will be imposed on them. However, such an approach is simply grotesque, Schacht said, if one considers that central departments of the Reich, in particular the Reich Railways Administration, continually do business with Jewish firms because, above all, the timber trade is almost exclusively in Jewish hands.

Discussing the effects of such [anti-]Jewish measures on foreign countries, Dr Schacht emphasized that French buyers have cancelled a large order placed with the

6 The journal *Deutsche Volksgesundheit aus Blut und Boden: Gesundheitserziehung auf rassischer Grundlage*, edited by the Combat League for German Health Care and Racial Hygiene, was published twice a month in Nuremberg from Jan. 1933 to March 1935 and covered public health issues from a racial perspective. It advocated naturopathy and homeopathy, as well as the 'preservation of the purity of German blood', which it regarded as a central measure of healthcare policy.

7 Dr Robert Koch (1843–1910), physician and bacteriologist; awarded the Nobel Prize for Medicine in 1905.

8 The article Schacht criticized is 'Der Jude als Seuchenstifter: Wie Robert Koch beschnitten wurde' ('The Jew as Creator of Epidemics: How Robert Koch was Circumcised'), *Deutsche Volksgesundheit aus Blut und Boden*, no. 7, 1 April 1935, pp. 5–8.

9 Reich Economic Advisor Köhler had already intervened in opposition to the ban on use of public baths enacted by the city: see memorandum from the mayor of Leipzig, Haake, dated 8 August 1935, Stadtarchiv Leipzig, Ch. I/122, fol. 15.

Salamander firm.<sup>10</sup> In addition, he said, it is virtually impossible to market German goods in South Africa. In a great many cases, he added, foreign purchasing agents have travelled on to Czechoslovakia because the anti-Jewish posters in Germany are not to their liking. English spa guests have left German spas in large numbers on account of the campaign against the Jews, and a large American central purchasing office recently transferred its headquarters from Berlin to Prague.

The effect of the antisemitic upsurge on the economy is catastrophic, he said. In addition, the negotiations that the Reich is now conducting with foreign countries are made far more difficult by it. Export today is based to only a small extent on the private initiative of the individual businessman, because the Reich Ministry of Economics has directly intervened in almost every instance as a result of the foreign exchange situation. The excesses brought about by irresponsible parties result in a refusal by foreign countries to deal with representatives of the Reich itself. In addition, the generosity of foreign countries, in particular advance deliveries, changes to contracts, and exchanges of goods, is severely threatened by the campaign against the Jews. In the case of the trade agreement negotiations with South America, the ministers of four countries are Jews who, citing the conditions prevailing in Germany, are reluctant to enter into further talks. In Poland, all trade is in Jewish hands. The upcoming negotiations with the United States will most probably fail, he said, given the mood that has been produced in America by the antisemitic riots. He, Dr Schacht, must therefore reserve the right to hold responsible for these effects the individuals who orchestrated these excesses.

Then Dr Schacht expressed his personal opinion, saying that he is of the opinion that the principles of the National Socialist programme are indeed correct and must be carried out without fail. 'I have', Dr Schacht explained, 'lived with Jews for thirty years and have taken their money from them for thirty years, but not vice versa. The present methods are nonetheless unsustainable. A system must be established amid the present methods, and until this system is put into practice, no other action should be taken.'

After that, Dr Schacht requested the representatives of the relevant departments in attendance to make their desires known and explain to him their thoughts regarding a legal regulation of the Jewish question, so that this question can be resolved as soon as possible through a regulation issued by the Reich government.

*Reich Minister Dr Frick* stated that the Jewish question will be resolved slowly but surely in a completely legal way – and specifically, this will occur along the lines of the Party programme, to the effect that the Jewish alien body will be totally eliminated from the German people. The Jewish question, however, can never be solved by unauthorized actions on an individual basis, he said, for such measures merely delay the success of the National Socialists' reconstruction work. Reich Minister Dr Frick then declared that the Führer, through the Deputy of the Führer, has ordered that individual actions against Jews by members of the NSDAP and its organizations must cease without fail. Demonstrations against Jews may indeed be justified in a given case, but here there exists the great danger that dark elements will gain the upper hand and that then things will come to pass that the Party never intended, and for which it can never take responsibility.

<sup>10</sup> Shoe company founded by Jakob Sigle in Kornwestheim, Württemberg, in 1885.

Therefore, he said, he has prepared a directive for all the regional governments and the Gestapo, according to which any individual action against Jews must cease, and anyone who takes part in such activity or incites it will be considered a provocateur and rebel. Action must be ruthlessly taken against such elements, and illegalities are to be prevented by the harshest means available to the police.<sup>11</sup> Besides the riots, he said, there are also other anti-Jewish boycott measures at present. These too ought to be prevented at all costs. In addition, there are laws already in preparation that are suitable for keeping Jewish influence under control. For example, the racial law is about to be finalized, and other measures, on which he did not want to elaborate at this juncture, are in the offing.

On government authorities awarding contracts to Jews, Dr Frick noted that the principle of parity of Aryans and non-Aryans in the economic sphere has so often been violated in practice that a new regulation of this matter must follow. But in the economy, too, the power of Jewry must slowly but organically and consistently be driven back, as has been done in the civil service and the arts. Therefore, he said, he cannot concur with the view of the Reichsbank President that there should be no Jewish question in the area of the economy. The stemming of Jewish influence in the economy must, however, come about in a legal way.

It is incomprehensible to him, he said, how news reports can damage the chemical industry to such an extent. These are actions that no level-headed person understands. The Führer, too, has come out sharply against such a course of action. As far as the bans on bathing are concerned, it is difficult to manage this question across the board. In an international trade city such as Leipzig, a bathing ban for Jews is certainly inappropriate. Putting up signs with messages along the lines of 'Jews are unwelcome here' or 'Jews enter this place at their own risk' can be arranged only in the closest concert with the Party. He will therefore turn to the Führer for clarification here. If the state, in this instance, were to ruthlessly require the removal of the signs, this would engender an insoluble conflict with the Party, which is impossible, given the unity of state and Party. In this matter, therefore, there must be the closest accord with the Party offices.

*State Minister Gauleiter Wagner*<sup>12</sup> declared that there is unanimity of opinion that what has occurred of late with regard to the Jewish question in the Reich must be impossible in future. The Jewish question, which has always played a major role in the idea of National Socialism, *must* be resolved. The reason for the recent excesses, he said, is that there has not only been divergence between Party and state concerning the handling of the Jewish question; even in the individual departments in the Reich, conflicting opinions have been advocated. Our Volksgenossen, he said, have thoroughly endorsed the removal of the Jews from the civil service, the arts, and the universities. That is not all

11 Circular decree (secret) from the Reich and Prussian Ministry of the Interior (III P 3710/59), Frick, to all regional governments and the Reich commissioner for the reintegration of the Saarland, dated 20 August 1935, expressing opposition to individual actions against Jews: BArch, R 1501/5513, fol. 2. Published in Landesarchivverwaltung Rheinland-Pfalz (ed.), *Dokumentation zur Geschichte der jüdischen Bevölkerung*, pp. 54–55.

12 Adolf Wagner (1890–1944), mining engineer; joined the NSDAP in 1922; took part in the Beer Hall Putsch in 1923; Gauleiter of Munich and Upper Bavaria, 1929–1944; from 1933 Bavarian minister of the interior and deputy minister president; from 1942 no longer carried out his duties because of illness.

that is necessary, however. The Party thus demands that headway be made with the solution to the Jewish question in the economy as well. Because there has been no visible success in this area thus far, however, our Volksgenossen have taken matters into their own hands. The Reichsbank President rightly stated that the solution to this question must come about in a legal way. The legislator must take into account the opinion of the people. Should he fail to do so, illegal actions would be the inevitable result. Thus far, the Party and the Reich have emphasized only negative aspects, that is, the prohibition of riots. This negative activity, however, will not suffice in future. Rather, the Reich cabinet must make up its mind about what can be done in the area of the Jewish question, and what must expediently be done. If the public sees that at least something is being attempted in this area, the excesses will stop right away. It is wrong, however, if the legislature waits as long as it now has done, because it then undermines the authority of the state. It is therefore necessary for the legislation to anticipate the developments. He thus proposed the following:

- (1) to ensure that the Jew is deprived of the potential to open new businesses,
- (2) to instruct the public authorities to award their contracts mainly to Volksgenossen,
- (3) to give preference to German rather than Jewish businesses in the allocation of foreign exchange.

It is self-evident, he said, that the entire solution to this question cannot come about all at once, but our Volksgenossen must at least see that endeavours are being made to move forward step by step. The Party is ready to play an active part in all issues that are likely to stem the Jewish influence in the field of the economy, even if only in small sectors. The Party, he continued, wishes the Reich to assume absolute leadership in this matter, and if the Reich makes an attempt to do so, it will have the Party's fullest support.

Dr Schacht welcomed these proposals and acknowledged that the Party does not wish to exert any pressure with respect to economic questions. Regarding proposal (1), he pointed out that, to all intents and purposes, there have been hardly any new businesses opened by Jews, and proposal (2) is already being put into practice. With respect to showing preference to Aryan businesses in the allocation of foreign exchange, however, Dr Schacht expressed doubts, saying that his experiences indicate that it is the Jew who brings in the most and cheapest foreign currency, and that Aryan businesses understand foreignexchange speculation just as well as the Jews do. He declared himself nonetheless willing to subject proposals (1) and (2) to legislative scrutiny.<sup>13</sup>

*Minister of Finance Popitz*<sup>14</sup> then pointed to the *Stürmer* agitation regarding State Lottery collectors and stated that the Prussian-South German Class Lottery has put the

<sup>13</sup> These points are not mentioned in the draft law of 9 Oct. 1935 that was presented by the Reich Ministry of the Interior in consultation with the Reich Ministry of Economics. See Doc. 205, 9 Oct. 1935.

<sup>14</sup> Dr Johannes Popitz (1884–1945), lawyer; in 1914–1919 worked in the Prussian Ministry of the Interior and in 1919–1929 in the Prussian Ministry of Finance, where he was state secretary from 1925; became Reich minister in 1932 and acting head of the Prussian Ministry of Finance; from 1933 Prussian minister of finance; member of the NSDAP; in 1944 sentenced as complicit in the plot to assassinate Hitler on 20 July and executed in Berlin in Feb. 1945.

regulations of the Civil Service Law into effect in their entirety among its ticket sellers. Of 650 Jewish lottery collectors, only 16 are still in office today. The actions of the *Stürmer* are therefore not only completely unjustified but also apt to block a source of considerable income for the state. Minister Popitz then spoke out against the boycott measures that have been introduced in Prussian public baths and have led to an exodus of Jewish and foreign bathers in particular. Next, he pointed out that the Jewish boycott also has a substantial influence on state finances, in that sales in Jewish shops have decreased appreciably, so that these businesses are no longer able to pay their taxes and duties. He then protested against the general posting of signs such as 'Jews are not welcome here' and 'You enter this place at your own risk'. Such signs are childish, he said, if Jews are already living in the place in question. Here, a clear regulation must soon be made.

*Reich Minister of Justice Dr Gürtner*<sup>15</sup> stated that the Racial Law will soon be promulgated.<sup>16</sup> The solution, he said, will be found in the fact that when there is an intended marriage between a Jew and an Aryan, the Jewish race is to be regarded as a hindrance to the marriage. This regulation is to apply to full Jews and half-Jews. In addition, Reich Minister Gürtner pointed out that, by promulgation of a law, a line must be drawn with respect to the present lawless goings-on. It is regrettable, he said, that the state authority has already been undermined to the extent that definitive statements by leading figures are described by subordinate offices as being on paper only, while everyone regards himself as entitled to interpret the true meaning of the legislative order at his own discretion. 'There is', Reich Minister Dr Gürtner stated, 'no order that anyone believes to have the absolute weight of a mandate behind it.' It is essential that this matter is rectified.

*State Secretary von Bülow*<sup>17</sup> requested urgently that the press should not publish the decree issued by Reich Minister Dr Frick.<sup>18</sup> This decree, he said, would be interpreted by world Jewry as a success. Detrimental effects have also resulted from posting the sign 'German shop', because in so doing the question of how one must behave towards foreign shop-owners has arisen. A handicapping of foreign shopkeepers contravenes international agreements in most instances and results in serious disadvantages for German shops abroad. State Secretary von Bülow further pointed out that the rioting, in numerous instances, has affected foreigners who are not even Jews. Such incidents, he said, are apt to place the success of the Olympic Games in doubt. He therefore suggested that the posting of anti-Jewish signs in particular, with the Olympic Games in mind, could be regulated to the effect that such signs would be prohibited at places frequented by people attending the Olympics.

15 Dr Franz Gürtner (1881–1941), lawyer; from 1909 worked in the Bavarian Ministry of Justice; Bavarian minister of justice, 1922–1932; brought about the lifting of the ban on the NSDAP; Reich minister of justice, 1932–1941; joined the NSDAP in 1937; edited works including *Das kommende deutsche Strafrecht* (1934).

16 See Doc. 199, 15 Sept. 1935.

17 Dr Bernhard Wilhelm von Bülow (1885–1936), lawyer; in 1912–1919 and from 1923 worked in the Reich Foreign Office, where he was head of the Special Section for the League of Nations and, from 1930, state secretary.

18 See fn. 11.

*The representative of the Ministry of Transport* pointed out that the anti-Jewish actions have resulted in a major loss of earnings in the field of transportation. For example, earnings have declined by 7 per cent in comparison with 1934. The shipping companies alone have thus far recorded a deficit of 1.5 million dollars.<sup>19</sup>

*State Secretary Krohn*<sup>20</sup> noted that the boycott is also affecting the labour force. In particular, numerous lay-offs have already been recorded as a result of the drop in Jewish business. Under the Law for the Regulation of National Labour, Jews are, even today, allowed to serve as works managers. This arrangement will continue, he added. Admittedly, he said, it is impossible for the Aryan personnel to set aside their pledge of loyalty to the Jewish works manager. To this end, therefore, an amendment of the law must take place in the near future.

State Secretary *Backe* pointed out that precisely in the fields in which there is a shortage of goods, Jews easily can be and will be eliminated. However, he said, he considers it questionable to regulate such a measure publicly, and suggested instead that this matter be handled silently, along the lines he proposes.

The representative of the minister of propaganda, Ministerial Director *Haegert*,<sup>21</sup> said that the antisemitic upsurge has been produced by the brazen behaviour of the Jews, who presumed to be rude even to the wife of a Reich minister on Kurfürstendamm. He, too, he said, is of the opinion that violent individual actions must be avoided. Nonetheless, he asked that the interpretation of such individual actions not be overly broadened, but rather that those actions that are necessary for political propaganda reasons be allowed. In addition, he expressed his opinion to the effect that the riots will dwindle if our Volksgenossen see that the government is now seizing the initiative in the area of the Jewish question.

After that, much time in the discussion was taken up by the question of whether individual communities are allowed to put up antisemitic posters if such an ordinance is issued by the responsible bodies of the communities concerned. Here, the views of the Reich Ministry of Finance, Ministry of Transport, and Reich Ministry of Justice were on one side, and those of the Party on the other side. While the representatives of the Reich authorities pointed out that the Jewish policy guidelines might be determined by the Reich alone, with due regard given to the Führer principle, Gauleiter Wagner noted that

19 As a result, a decree of the Reich Minister of Transport of 30 August 1935 stated that the use of public transport was for the time being not subject to any restrictions for Jews: BArch, R 3101/13862, fols. 542–543.

20 Dr Johannes Krohn (1884–1974), lawyer; worked from 1920 in the Reich Ministry of Labour, where he became head of the Department of Social Insurance and Social Welfare in 1932; from 1933 state secretary; from 1941 Reich commissioner for the handling of enemy assets in the Reich Ministry of Justice; chairman of the Federal Committee of Physicians and Health Insurance Companies, 1955–1968.

21 Wilhelm Haegert (1907–1994), lawyer; Freikorps member, 1923; joined the NSDAP and the SA in 1929; in 1931 became head of the Legal Protection Department of the Gau of Berlin; chief of staff of the NSDAP Reichsleitung for Propaganda; from 1933 head of Department II (Propaganda) in the Reich Ministry of Public Enlightenment and Propaganda; vice president of the Reich Literature Chamber, 1941; worked as a lawyer after 1945 in Berlin.

it is incompatible with the National Socialist idea to suppress the justified antisemitic viewpoint of individual communities. After lengthy debate, agreement was achieved to the extent that the Reich will of course not prevent an anti-Jewish approach by individual communities if this is consonant with the overall objective.

In conclusion, SS-Gruppenführer Heydrich took the floor and stated that, as things stand now, the Gestapo always comes off badly, because it is obliged, if necessary, to proceed against Party comrades. Such a state of affairs, however, can be corrected in a practical way if two fundamental things are taken into account:

(1) legislative measures of the state that bring closer, step by step, the goal of stamping out the influence of the Jews, upon the instruction of the Führer, and

(2) a comprehensive political and ideological schooling and training of Party members and Volksgenossen with respect to the Jewish question, in combination with cast-iron Party discipline.

From the experience of the Political Police as an intelligence gathering point for the relevant Reich departments, SS-Gruppenführer Heydrich then urged that:

(1) beyond the banning of mixed marriages, race defilement also be punished as a crime;<sup>22</sup>

(2) the purchase and lease of land by Jews be prohibited, in acknowledgement of the fact that land is available only to Volksgenossen;

(3) legislation concerning the rights of Volksgenossen and citizens be proclaimed at once, applying a legal exemption for the Jews;<sup>23</sup>

(4) the Jews' freedom of movement be curtailed to the extent that they are prohibited, as much as possible, from moving into the large cities.

Whether and to what extent these proposals can be carried out in practice, [SS] Gruppenführer Heydrich stated, must, of course, be left to the relevant departments.<sup>24</sup>

Reichsbank President Dr Schacht welcomed these statements and added that he is in full agreement with the contents of items 1 to 3 and will subject them to legal scrutiny, but he considers item 4 worrying, if it were to amount in effect to a ghetto, but endorsed in principle the ban on taking up residence in large cities.

Towards 18.30, Reichsbank President Dr Schacht called the conference to a close, noting that additional discussions will follow shortly regarding the implementation of the practical responses to the questions addressed.<sup>25</sup>

22 This demand was met by the so-called Law for the Protection of German Blood and German Honour, 15 Sept. 1935: see Doc. 199.

23 This demand was met by the Reich Citizenship Law, 15 Sept. 1935: see Doc. 198.

24 On the demands of the Gestapo Central Office (Gestapo), see Doc. 195, 9 Sept. 1935.

25 On 23 Sept. 1935 Reich Minister of the Interior Frick and Reichsbank President Schacht discussed restrictions for Jews in the economy: memorandum dated 23 Sept. 1935, in Hartmannsgruber (ed.), *AdR*, part 2, vol. 2, pp. 800–802.