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The Influence of the SS on the Foreign Exchange Controls and the Despoliation of the German Jews, 1935-1941

The literature on the persecution of the Jews has pointed out the great significance of currency laws as instruments of discrimination. In recent years, as a result of Frank Bajohr's analysis of the Hamburg Currency and Customs Authority, more research has been done regarding the impact of currency laws on Jewish emigration. Concrete evidence was established of the financial consequences for Jewish emigrants resulting from the attitude of German civil servants. It became clear that as of 1937 the personnel of the institutions interpreted currency laws in ways that were extremely unfavorable for Jewish emigrants. Discrimination policies went far beyond the strict letter of the law. Recent German studies have traced this conduct back to the anti-Semitic views of the people involved, but these attitudes can not explain the increased discrimination that started at the end of 1936.

Based on this first study of the development of the currency laws, this paper analyses the legislative process from 1933 to 1939 for the origins of this discriminatory policy. The question at stake is what the general goal of the currency law reform was and when it became an instrument that specifically aimed for the total plundering of German Jewish emigrants. In addition, this paper asks which institutions influenced the legal development and its enforcement. But first of all, for a better understanding, it is necessary to give you a short overview of the complex development of the German currency laws up to 1935.

The development of the Nazi currency laws began with the new legislation introduced during the last phase of the Weimar Republic. It built on the experience made with the currency laws during WWI and the ensuing period of inflation until 1924 and the withdrawal of foreign capital due to the bank crisis of 1931. Within nine months the government installed a complete rationing of foreign exchange to stabilize the currency and make reparation payments possible. Basically, the rule was that all currency transactions with foreigners or a foreign country were prohibited; in this way the

government could control all transfers of capital and permit only important and favorable ones.

In 1933, Hitler's government took over the completely revised currency law and tightened some rules: the currency ceiling was lowered to ten Reichmarks¹ and in July 1933 the penalties for infractions of the currency laws became more severe. When the currency reserves fell due to rising imports at the end of 1933, the regime installed a new system in September 1934 – this was Schacht's new plan. Thus imports, as well as money transfers to foreign countries were forbidden. The new policies aimed no longer at currency stabilization or reparation payments. The goal changed to raising imports that were necessary for rearmament.

Shortly after the installation of Schacht's new plan, the existing currency rules and regulations were synthesized and systematized in the new currency law from 1935. Up to that point there existed hardly any special currency regulations against Jewish emigrants.² Through existing legislation, the transfer of possessions to foreign countries was subject to approval and therefore a transfer of assets for Jews was only possible under special restrictions.³

Even though until 1934 there was no regulation that discriminated directly against Jewish emigration, the currency law was already used as an instrument of discrimination.⁴ The "Aryanization" of larger businesses used alleged currency crimes as a lever against

1 The amounts allowed to citizens were: since late August 1931, 200 Reichsmark; from 19 April 1934 on, 50 Reichsmark; from 29 September 1934 on, 10 Reichsmark.

2 Until 1934, only few regulations existed concerning emigrants taking their private property with them: *Deutscher Reichs-Anzeiger Nr. 137* from 15.6.1933; Fauck, *Mitnahme von Devisen und Schmuckstücken bei Auswanderung von Juden*, in: *Gutachten des IfZ (II)*, Stuttgart 1966. S. 23-24; Jutta Zwilling, *Die Akteure – Ihre Geschichte und Überlieferung*, in: Susanne Meinel/Jutta Zwilling, *Legalisierter Raub. Die Ausplünderung der Juden im Nationalsozialismus durch die Reichsfinanzverwaltung in Hessen*, Frankfurt am Main 2004, S. 225-570, hier S. 405 und 443. For the special conditions of the emigration to Palestine that were more favorable for the Jews, cf.: Joseph Walk (ed.), *Das Sonderrecht für die Juden im NS-Staat. Eine Sammlung der gesetzlichen Maßnahmen und Richtlinien. Inhalt und Bedeutung*, Heidelberg 1996, p. 70, Nr. I 339 und I 343, p. 84, Nr. I 409, p. 87, Nr. I 425-426, p. 93, Nr. I 460 und p. 108, Nr. I 528.

3 Until now, historical research often did not distinguish exactly enough the cases in which all Germans were affected by the currency laws from those in which factually only the Jewish emigrants were subject to the new regulations. In fact, until 1935 there were hardly any regulations issued that were directed against the Jewish emigrants alone. However, the Jews were affected in a much greater degree than the non-Jewish population, since they emigrated in much larger numbers.

4 Partly, as early as 1933 state authorities attempted to construct an offence against the currency laws by making stricter controls of enterprises and foreign exchange stock. All in all, however, such cases remained exceptions until 1935/36. Susanne Meinel, *Darstellung*, in: Susanne Meinel/Jutta Zwilling, *legalisierter Raub. Die Ausplünderung der Juden im Nationalsozialismus durch die Reichsfinanzverwaltung in Hessen*, Frankfurt am Main 2004, S. 25-224, hier S. 44-45 und 54.

Jewish owners in order to force change of ownership.⁵ The accountable institutions were empowered to take a greater role in February 1934 by an increase in their competence. The Reich Finance Ministry provided detailed instructions for the implementation of currency controls. But nevertheless, although restrictions existed, Jews could still emigrate until 1935 with some cash and personal effects. The reasons for these exemptions⁶ were manifold; the officials at the time desired a more massive emigration.⁷ The transfer of assets through scripts (special form of government bond) and other methods with forced discounts of fifty percent was still possible. Though this rate was high, it certainly was better than the total loss of the assets subsequently.

The basic difficulties and the losses incurred in transferring assets at this time forced Jewish emigrants to develop new strategies of evasion. Pure gold was not permitted to leave the country, but for a while Jews were allowed to take jewellery with them. As the rules on currency transfers were tightened, Jewish emigrants increasingly turned to precious metals as a means of export. An indicator for this is the increased purchase of gold and jewelry by German Jews at pawn shops. Although the Reich Ministry of the Interior and the Gestapo demanded stricter regulations as well, the protests which primarily demanded that purchasing at auctions should be prohibited for Jews remained fruitless at first because the Reichsbank opposed.⁸ From 1935 on, however, they led to stricter controls in the precious metals control system.⁹

At the beginning of 1935, emigrants taking out securities, valuable objects, and other assets attracted the attention of politicians and speedily triggered changes in the currency laws. Interestingly, the Finance Ministry¹⁰, the Reichsbank, and the Commerce Department had had an eye on the currency drain resulting from Jewish emigration for some time. Since 1933, long before the Nuremberg Laws, data about currency transfers by emigrants were collected and the ministerial office of the commerce department differentiated between “Aryans” and “non-Aryans.”

5 Zwilling, Akteure, S. 443.

6 Stefan Mehl, *Das Reichsfinanzministerium und die Verfolgung der deutschen Juden 1933-1945*, Berlin 1990, S. 42.

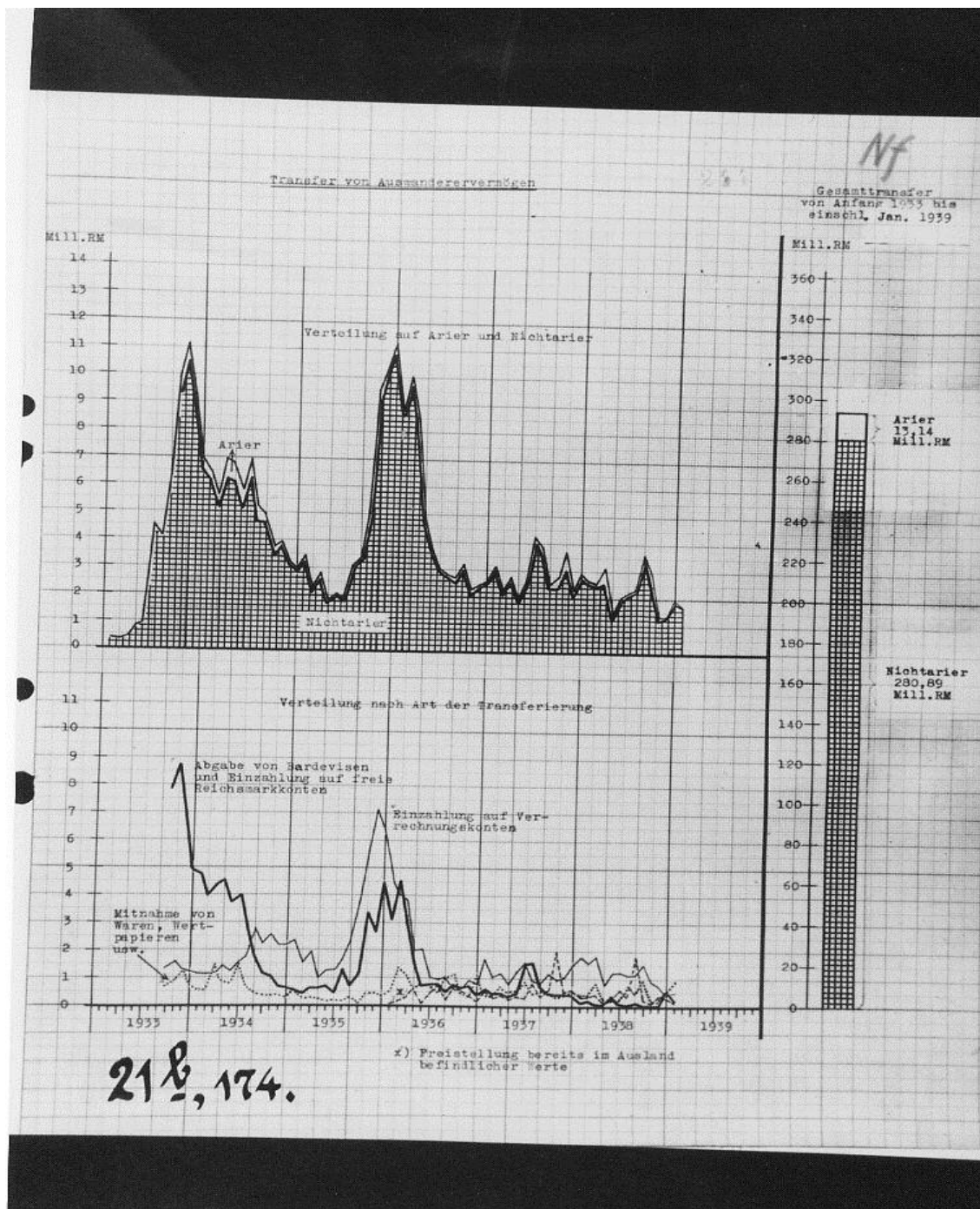
7 Avraham Barkai, *Vom Boykott zur „Entjudung“*. Der wirtschaftliche Existenzkampf der Juden im 3. Reich 1933-1943, Frankfurt am Main 1988, S. 116.

8 Cf. Ralf Banken, *Edelmetallmangel und Großraubwirtschaft*. Habilitationsschrift 2006, Kapitel 3 (forthcoming).

9 Banken, *Großraubwirtschaft* Kapitel 2.3.-2.4.

10 In 1933 already, the Reich Ministry of Finance had requested from transport firms to notify them if people regarded as Jews moved house. This concerned primarily the moves of Jewish emigrants. Mehl, *Darstellung*, S. 68.

Fig. 1: Transfer of emigrants' property¹¹



¹¹ This graphical representation of the statistics of early 1939, which is not dated, was produced by the officials of the economic and statistical department of the Reichsbank for the first time in 1935 „in order to receive a memorable image of the sums that were lost to the German economy by emigration.“ It can be clearly recognized that in 1935 the foreign currency transactions increased considerably, but decreased afterwards until the former level was reached. That level remained mainly undisturbed and with little deviations until early 1939. Presumably, this was due to the stricter currency control regulations. Bundesarchiv (German Federal Archive, BA) Berlin, R2501, Nr. 6442.

While Hjalmar Schacht pointed out the problem of the transfer of capital by Jewish emigrants¹², the NDSAP focused on the fight against currency smuggling by Catholic holy orders.¹³ Newspaper announcements about currency smuggling were used by the Nazis until 1935, but not yet openly for Anti-Semitic smear campaigns. However, by merely mentioning a name that sounded Jewish, the newspaper reader could conclude that Jews were attempting to transfer their assets to other countries.¹⁴ Nevertheless the process of anti-Semitic currency legislation had been set into motion. This was due less to the still existing currency shortage rather than to the ongoing Anti-Semitic propaganda and the Nuremberg racial laws from September 1935. Suggestions came from various quarters as to how Jewish currency transfers could be restricted. German notaries, for example, took note that Jews took the profits abroad after selling their land.¹⁵ In a broader sense, it is more important that the currency laws created were a reaction to the evasive strategies of the Jewish emigrant population. As early as the autumn of 1935, the currency department of the Reich ministry of Economics remarked, in an express letter to the other ministries, that the new legislation on the Jewish population had considerably increased the Jews' inclination to emigrate, and that for the lack of foreign currency no more currency could be provided, except for the emigration to Palestine. At this early stage, the evasive strategies of Jewish emigrants were realized (shipment of goods, collection of outstanding export debts abroad).¹⁶ In the summer of 1936, the Reich ministry of economics began to consider if the government should introduce precautionary measures against the Jewish capital flight: "Since the Nuremberg Laws, the urge to emigrate has increased considerably among the Jews living in Germany. The continuously aggravating currency situation makes it more and more difficult to transfer even modest amounts for establishing a new livelihood abroad. (...) Therefore, illegal property transfers by Jewish emigrants have increased substantially. Through the third,

12 For example, in a report on the foreign currency situation, Schacht pointed out the so-called Jewish exports that were regarded as a Jewish capital flight. This procedure meant that German Jews purchased goods in Germany with Reichmarks and exported the goods without submitting the foreign exchange. Records of the Reichskanzlei Regierung Hitler T.1, Bd. 1, Nr. 263, S. 1006-1009.

13 See the numerous newspaper articles about trials and sentences against Catholic orders from the year 1935 in the clippings collection of the Reichsbank. BA Berlin, R2501, Nr. 950.

14 See for example the numerous articles from different newspapers in the clippings collection of the Reichsbank 1935: BA Berlin, R2501, Nr. 950.

15 BA Berlin, R3001 (alt R22), Nr. 1989.

16 RWM Dev.266/35 19.10.1935. BA Berlin, R3001, Nr. 1988.

fourth and fifth regulations to the foreign currency law, I have counteracted these attempts by a number of individual measures." In spite of these measures (which made the disposal of foreign shares, taking precious metals abroad in the form of utility articles etc. subject to authority), officials in the Reich ministry of economics argued for the introduction of a restraint. However, at the end of the year this suggestion was abandoned in favour of the introduction of disposal restrictions according to §37a.¹⁷ Several times before, during the development of the currency legislation after 1931, the Ministry of Economics had closed existing loopholes. The purpose of this move was not necessarily to seize the Jewish assets but rather to prevent capital flight, since for the international stability of the Reichsmark, the authorities wanted to put a barrier against the outflow of substantial amounts of banknotes into foreign countries from May 1935 on.¹⁸

In contrast to the Ministry of Economics, the Ministry of Finance with its subordinate departments, such as the Customs Agency or the Agency for Currency Control, was also interested in the assets of Jews because they wanted to prevent tax evasion and debt payment evasion.¹⁹ It should also be noted that starting in 1935 the Gestapo began to be interested in the outflow of currency with Jewish emigrants. At the end of 1935, Heydrich empowered the Gestapo to inform the Berlin Finance Office, Moabit-West, of suspicious cases of capital outflow.²⁰ At the end of the year the Gestapo requested that local German authorities inform the state tax offices in Berlin, that dealt with fighting tax fraud, capital flight and illegal transfers, about every Jewish departure.²¹

Although the finance administration and the Gestapo became more and more involved in the ongoing developments regarding the use of currency laws that lead to exploitation, the final authority remained with the Ministry of Economy. Both the legal modifications as, for instance, §45 in the new law on foreign currency control from 4 February 1935, which provided that smuggled assets were seized²², and simple circular notices and

17 22.7.1936, RWM VI Dev. 267/36. Records of the party chancellery Mikrofiche Nr. 31013 (43432-43453); BA Berlin, R22, Nr. 1989.

18 BA Berlin, R3001 (alt R22), Nr. 1989.

19 On the connexion between capital flight and tax evasion and the close co-operation of the authorities concerned (foreign currency authorities, revenue services, Ministry of Finance, Ministry of Economics, Reichsbank etc.) see: Meinel, Darstellung, S. 34-36; Zwilling, Akteure, S. 226-239.

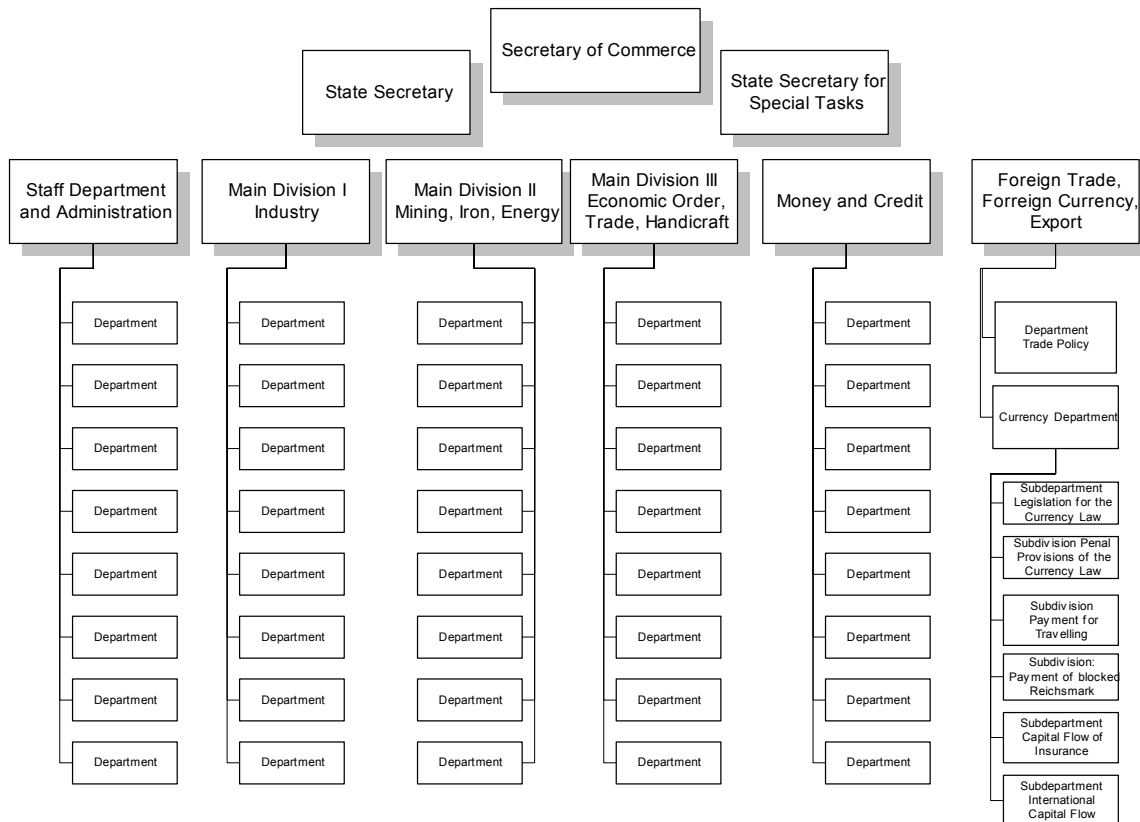
20 Heydrich's decree to all Stapo (state police) offices and the Politische Polizei (political police) of the states from 11.11.1935 (II 1 B 2 – 76760/Allgem. 15 P /35E.). BA Berlin, R58, Nr. 982.

21 Peter Longerich, Politik der Vernichtung. Eine Gesamtdarstellung der nationalsozialistischen Judenverfolgung, München/Zürich 1998, S. 124.

22 Fauck, Mitnahme, S. 23; Reichsgesetzblatt (RGBl) 1935 I, S. 112.

administrative regulations were issued by the Ministry of Economics²³ - for example, the circular notice 198/35 of the Reich agency for foreign currency control from 11 October 1935, according to which emigrants were allowed to take foreign shares with them if they had been purchased before 1 January 1933.

Fig. 2: The organisation of the German foreign currency control system 1938



In 1935, the number of administrative difficulties for Jewish emigrants increased. In addition to a declaration of approval necessary for currency transfers, Jews also had to attest that they did not owe taxes and that they had paid their capital flight tax.²⁴ They were now also obliged to declare valuable assets such as jewelry, diamonds and antiquities that they wanted to take with them. In addition, the authorized quotas to

23 Walk, Sonderrecht, S. 136, Nr. II 28.

24 Zwilling, Akteure, S. 410.

transfer capital abroad kept being reduced.²⁵ Officially, by the beginning of the war, only 4% of assets could be exported.²⁶ This was almost equivalent to total expropriation. In the last quarter of 1936 a number of general changes in the currency laws accelerated the seizure of the assets of Jewish emigrants.²⁷ Apart from the decree on foreign currency control (instructions for the control of foreign currency) from 19 December 1936 and other general currency regulations²⁸, the sixth implementing regulation from 28 October 1936 contained another obligation to offer gold and foreign currency for sale to a bank until 30 November 1936²⁹. The seventh implementing regulation from 19 November 1936 provided that every citizen had to transfer all his foreign shares and securities to the deposit of a currency bank or of the Reichsbank.³⁰ It has to be acknowledged that these measures also affected non-Jewish Germans through the renewed requirement to declare gold and foreign currency. Also, the laws of December 1936 against economic sabotage and the stricter currency laws, which could even lead to the death penalty, affected all Germans.³¹

Altogether, the great number of new regulations at the end of 1936 can be traced back to changed power relationships. The reduction of the currency ceiling from ten to zero Marks in June 1936 was not the only cause for the real lack of foreign currency.³² More

25 RGBI 1935 I, S. 1408; Horst Berger, *Der Einfluß verbotswürdiger Devisengeschäfte auf die Entwicklung der Devisengesetzgebung*, Diss. Leipzig Dresden 1938, S. 39-41; Reichssteuerblatt (RStBl) 1935, S. 1499. One of the measures that the Ministry of Finance and the Ministry of Economics took consisted of the restriction of purchases and transfers of money and precious metals in Germany, and the export of such valuables by emigrants in the 5. implementation regulation to the law on foreign currency control from 25.5.1936. RGBI 1936 I, S. 467f; Walk, *Sonderrecht*, S. 163, Nr. II 165.

26 Until 1934 it was possible to purchase free valuta from the Reichsbank. Afterwards, emigrants had to accept a loss of 50% until October 1937, and the exchangeable amount was limited to 8000 Reichsmarks. As soon as February 1935, the non-transferable assets of emigrants were blocked. The advance payments when selling to the Deutsche Golddiskontbank after the presentation of a confirmation certificate were set to 75% of the sum from January 1936 on and 50% a shortly afterwards. From early 1938 on, it was 18% and from 14.9.1939, 4%. Meinel, *Darstellung*, S. 42; Zwilling, *Akteure*, S. 253-254.

27 In the first half of the year, only few regulations aimed for a prevention of Jewish capital transfers, which concerned exports of coins intended for separation, travel abroad, several allowances and copyrights. RGBI I 1936, S. 467, RGBI I 1936, S. 468. In addition, in June the profession of the foreign currency consultant was introduced. Jews, however, were excluded from the new profession. RGBI I 1936, S. 524. Walk, S. 103, Nr. I 504 und S. 166, Nr. II 179.

28 For the guidelines on currency control, the law on exemption from punishment in case of offences against currency regulations see: RGBI I 1936, S. 1021-1068, RGBI I 1936, S. 1015.

29 RGBI I 1936, S. 930.

30 RGBI I 1936, S. 946. This concerned all securities and shares that were traded at the stock exchange, or those which were otherwise important for international trade, which could be sold by the Reichsbank and other state banks (Degeo etc.) for foreign currency.

31 RGBI I 1936, S. 999.

32 Helmut Elsler, *Währung und Außenhandel. Eine Studien der deutschen Devisenbewirtschaftung*, Diss. Köln 1939, S. 40-41.

important was the new authority that Hitler assigned to Herrmann Goering in June, making him the raw material and foreign currency commissar with absolute powers.³³ As a result of this empowerment, Goering created at once a foreign currency investigation office and appointed as its director the head of the *Sicherheitsdienst* (security office) of the SS Reinhard Heydrich. In addition, Goering ordered – against Schacht’s opposition and before the establishment of the Four Year Plan in August 1936³⁴ – the seizure of all foreign German assets.³⁵ In fact, that very summer the Reich commenced to purchase and to sell foreign shares and securities, gold owned by private persons, German capital investments abroad, and extraordinary outstanding debts of German citizens.³⁶ With the enactment of the Four Year Plan in September 1936 and the nomination of Goering as its director, Goering’s power base grew, to the detriment of Schacht. In addition to the sale of foreign assets, Goering promulgated in October 1936 the obligation of surrendering gold coins and the law against economic sabotage.³⁷

Although the power struggle between Goering and Schacht concerning foreign currency matters continued until the end of 1937, the fundamental foreign currency policies were no longer determined in the Ministry of Economics but by Goering. However, the actual transformation of Goering’s decisions to legal forms remained the task of Schacht’s ministry.³⁸

In addition to the already mentioned legal changes, the utilization of the last currency reserves of the German people remained the essential hallmark of Goering’s currency decisions. Although Schacht had already considered a series of initiatives to improve the

33 Georg Thomas, *Geschichte der deutschen Wehr- und Rüstungswirtschaft (1918-1943/45)*, Boppard 1966, S. 111-112; Dietmar Petzina, *Autarkiepolitik im Dritten Reich. Der nationalsozialistische Vierjahresplan*, Stuttgart 1968, S. 40-45; Matthias Riedel, *Die Rohstofflage des Deutschen Reiches im Frühjahr 1936*, in: *Tradition 14* (1969), S. 310-334.

34 Wilhelm Treue, (Hg.), *Denkschrift Hitlers über die Aufgaben eines Vierjahresplans*, in: *Vierteljahrshefte für Zeitgeschichte* 1955, S. 204ff; Petzina, *Autarkiepolitik*, S. 48-53.

35 Ralf Banken, *Die nationalsozialistische Goldreserven und Devisenpolitik 1933-1939*. in *Jahrbuch für Wirtschaftsgeschichte* 1/2003, S. 49-78, hier S. 53-56.

36 The sale of foreign securities alone brought 432 Millionen Reichsmark in foreign currency until 1939. Altogether, the sale of property abroad (securities, export debts etc.) raised at least 1.150 million Reichsmarks until the outbreak of the war. *Banken Goldreserven- und Devisenpolitik*, S. 53-56.

37 BA Berlin, R2501, Nr. 6446 und R26I, Nr. 18; Historisches Archiv der Deutschen Bundesbank (HA Bundesbank) B330, Nr. 11159. *Banken Goldreserven- und Devisenpolitik*, S. 65-71. See also the minutes of the session of the small ministry council from 21.10.1936, where the measures were decided on. BA Berlin, R26 IV, Nr. 4; BA Berlin, R22, Nr. 4723.

38 On the legal initiatives of the Four Year Plan authority respectively the working group on foreign currency see: *Geheimes Staatsarchiv preußischer Kulturbesitz Berlin-Dahlem (GSTA Berlin)* Rep. 90 M, Nr. 42; *RGBl I* 1938, S. 902, *Verordnung über die Ablieferung außer Kurs gesetzter in- und ausländischer Goldmünzen vom 16.7.1938*. HA Bundesbank, B330, Nr. 378 and 11159; *Banken Goldreserven- und Devisenpolitik*, S. 65-71.

foreign currency situation³⁹, Goering strove toward this goal much more aggressively and was willing, in his own words, to use any measure possible to achieve it.⁴⁰ It was exactly this absolute willingness to subordinate currency policies and currency rights to the rearmament policy of the regime, in spite of damage to the economy and to political goals that was mirrored in the intensification of currency laws in the fall of 1936. This policy led to the utilization of all reserves of the entire population so that German rearmament could continue.

This general change in policies also materially affected Jewish emigrants, not only because of the legal changes but also because of countless special edicts. Among the numerous changes in 1936 there was, for example, Edict 153/36, which had more impact than many other laws, because it required that emigrants request special permission for realization of securities as well as the cashing in of life insurance policies and the sale of real estate.⁴¹

In addition to this edict, a fundamentally new legal instrument was created with the revision of the Currency Law on December 1, 1936. After lengthy discussions among various ministerial offices⁴² the blocking order of Paragraph 37 was added to the currency law, which enabled German authorities to restrict the property rights of emigrants.⁴³ A blocking order signified that the owner could only use his assets with the permission of government authorities. For example, the owner needed permission for

39 For a detailed account see: Banken Goldreserven- und Devisenpolitik, S. 53-71.

40 Zitiert nach Eckart Teichert, Autarkie und Großraumwirtschaft in Deutschland 1930-1939. Außenwirtschaftspolitische Konzeptionen zwischen Wirtschaftskrise und 2. Weltkrieg, München 1984, S. 247. Internationaler Militärgerichtshof Nürnberg, Der Prozeß gegen die Hauptkriegsverbrecher vor dem Internationalen Militärgerichtshof 14.11.1945-1.10.1946, 46 Bde., Nürnberg 1947-1949, Bd. II, Dok. S. 267 EC-416. Vergl.: Banken Goldreserven- und Devisenpolitik, S. 53-56.

41 Walk, Sonderrecht, S. 174 Nr. II 223, RStBl 1936, S. 1067 und S. 179, Nr. II 244, 21.12.1936 RStBl 1067).

42 From 22.7.1936, the Reich Ministry of Economics was at least concerned with the legislation on the blocking order. The ministry wanted to introduce a restraint as well, but the Reich Ministry of Justice rejected the proposal. Only after several reformulations, the draft of the Ministry of the Economy from 24.11.1936 was generally accepted and was published on 4.12.1936 (RGLB I 1936, S. 1000). During the following weeks, the exact competencies of the foreign currency authorities in implementing the preventive measures were put into detail in internal decrees and until June 1937 led to the 8., 10. und 11. implementation regulations. BA Berlin, R3001 (alt R22), Nr. 1989.

43 RGLB I 1936, S. 1000 (1.12.1936).

every single account movement.⁴⁴ The blocking order created the legal basis for various property right restrictions to which some emigrants had already been subjected.⁴⁵

As a result of this blocking order, especially the customs and foreign currency departments now had legal instruments available to enable them to control the Jewish emigrants prior to their emigration, i.e. to freeze (effectively confiscating) their assets. In addition, this edict increased the already intensive collaboration among the various institutions that had started with the creation of the foreign currency investigations office.⁴⁶ The foreign currency investigations office was not only supposed to coordinate centrally all foreign currency investigations and provide guidance for the work of the customs investigation office, but was also expected to investigate important and precedent-setting cases, to supervise the foreign currency rationing activities, and to use the experience gained to suggest changes in emerging legislation.⁴⁷ Heydrich, as chief, was eager to foster close cooperation among the customs investigation offices, the tax offices, the tax investigation offices of the State tax offices as well as the main customs

44 For the concrete effects of the blocking order: Meinl, *Darstellung*, S. 37, 43 und 108-109; Zwilling, *Akteure*, S. 406.

45 On the implementation of §37a see the examples from Hamburg in: Frank Bajohr, „Arisierung“ in Hamburg. *Die Verdrängung der jüdischen Unternehmer 1933-1945*, Hamburg 1997, S. 193. Cf. the examples given in: Meinl, *Darstellung*, S. 110.

46 According to Longerich, Göring in his capacity as chief of the foreign currency and raw materials staff that was formed in in spring had commissioned Heydrich with the installation of a foreign currency investigation office as early as 7.7.1936. The office was to be directly and personally responsible to Göring. Longerich, *Vernichtung*, S. 118. According to Bajohr, an interview between Göring and Heydrich on 24.6.1936 went before the commission, in which the competencies of the new office were decided on. The establishment of the foreign currency investigation office took place on 1.8.1936. Not only the customs investigation authorities, but all agencies concerned with foreign currency investigations were subordinate to the new office in everything that concerned their subject matter and were bound to Heydrich's authority to command and his central governance. Bajohr, „Arisierung“, S. 191-192.

47 For example, in the service regulations of the foreign currency investigation office Heydrich wrote: „For the foreign currency investigation office that is annexed to the Geheime Staatspolizeiamt I ordain the following service regulations: I. Tasks of the foreign currency investigation office: To deal with all tasks that emerge from the decrees of minister president Generaloberst Göring (Commissioner for the Four Year Plan) from 7.VII.1936 and 23.XI.1936. A.) central direction of foreign currency investigations. B.) support and securement of the Four Year Plan (Decree of the minister president and commissioner for the Four Year Plan from 23.11.1936. C.) Co-operation with the customs investigations agencies, the revenue investigation offices at the state tax authorities and tax authorities, the customs authorities an the main customs authorities at the Reich railway authorities. D.) Elaboration of guidelines for the tasks of the customs investigation agencies. E.) Handling of major and principal cases. F.) Supervision of foreign currency control G.) Evaluation of this work and results for proposals for changes in the relevant laws, regulations and decrees. II. As my deputy, I appoint the head of department II of the Geheime Staatspolizeiamt [Secret State Police Agency] (SS-Obersturmbannführer Müller).“ Most of the civil servants in the foreign currency investigations office were customs inspectors. BA Berlin, R58, Nr. 4208.

authorities of the railroad authorities.⁴⁸ Without a doubt this eagerness was meant to employ the foreign currency regulations specifically against Jews. In effect, the customs investigations offices and the currency investigations offices eventually became the most significant authorities in the confiscation of emigrant assets. They used the guidelines of the foreign currency investigation office and the increasingly more stringent regulations in a petty and discriminating manner. However, the formal process of collaboration instigated by the Gestapo between the customs entities, the foreign currency offices and the foreign currency investigations offices began only with the edict of December 1936. In addition, the Gestapo ordered the police authorities to report all emigration intentions, including also the racial descent of the potential emigrant, to the local tax office, the customs investigation office, the tax office in Berlin, the Reichsbank branch and the local tax administration, so that the financial circumstances of the emigrant could be completely controlled.⁴⁹

Despite, or maybe because of the evolving measures against capital flight, the ostensibly “illegal” transfers of private assets abroad continued after 1936. As the legal transfer of financial assets became ever more difficult because of the new laws, the only recourse left to the Jews was to smuggle out precious objects. This in turn resulted in another round of legal restrictions. Using the existing regulations and foreign currency laws, the aim was to assist the foreign currency and customs investigations offices in freezing Jewish assets before their emigration. The result of the increasing stringency of the transfer regulations, i.e. the decrease in the amount of assets that Jewish emigrants could take with them⁵⁰, was a decrease in the desired emigration and an increase in smuggling. The German authorities were faced with the dilemma that at the same time they wanted to reduce the export of assets on the one hand, and not to hinder emigration completely

48 For the general decrees of Himmler and their elaborations see: Martin Dean, The Development and Implementation of Nazi Denaturalization and Confiscation Policy up to the Eleventh Decree to the Reich Citizenship Law, in: *Holocaust and Genocide Studies* 16 2002, S. 217-242.

49 According to a Gestapo decree from 17.12.1936 (II a B 2 Allgem 171 E AO), for the co-operation with the tax authorities the police authorities were to report on the ancestry of those willing to emigrate by means of a new form. Furthermore, other forms in 1937 contained statements of the property of Jews serving the issuing of security decrees and the co-operation of the principal institutions involved – customs investigation, Gestapo (blocking of passports), tax authorities (tax debts, suspicion of capital flight), customs authority (customs debts), Reichsbank, Deutsche Golddiskontbank (properties there, additional exports), supervision agencies (importers), chambers of commerce. Walk, *Sonderrecht*, S. 177, Nr. II 238; *Staatsarchiv (StA) Hamburg* 314-15 Nr. 9 UA 4.

50 According to Genschel, between 1933 and 1937 the emigrating Jews lost about 30 to 50% of their property, and after 1937 between 60 and 100%. Helmut Genschel, *Die Verdrängung der Juden aus der Wirtschaft im Dritten Reich*, Göttingen/Berlin 1966, S. 259ff.

on the other hand. In early 1939, the Reich Ministry of Economics had issued decrees to that purpose⁵¹, which however were counteracted by the individual measures taken.⁵²

The reaction of the Jewish population consisted of two strategies. First, they tried to search for and use loopholes in the laws.⁵³ Significantly, some of the commentaries on currency law were co-written by authors regarded as Jewish.⁵⁴ But as these possibilities were quickly eliminated, a large number of Jews tried to smuggle their assets abroad. They tried to hide precious metals and valuables in their personal luggage.⁵⁵ Another strategy was to smuggle valuables abroad without officially applying for emigration. Smuggling of precious metals across the open border to Holland and Belgium increased especially after 1936 and continued until 1940.⁵⁶ Also capital flight to Switzerland played an important role before 1938.⁵⁷ Here too the smuggling of assets increased after 1936, and especially after the "Anschluss" (annexation) of Austria as smuggling rose due to the flight of Austrian Jews.⁵⁸

The accelerated extortion process resulting from the foreign currency laws against Jewish emigrants in 1936 continued in 1937. The measures were aimed at increasing the difficulties for Jewish emigrants to export their assets. From December 1937, emigrants

51 In a general decree of the Ministry of the Economy from 16.1.1939 concerning precious metals taken along by emigrants, this ambiguous attitude becomes especially clear. StA Hamburg 314-15 OFP Nr. 9 UA 2.

52 On the ambiguous attitude of even the Gestapo on the question of emigration see: Ulrich Herbert, *Best: biographische Studien über Radikalismus, Weltanschauung und Vernunft, 1903-1989*, Bonn 1996³, S. 210. Vergl.: Norbert Kampe, „Endlösung“ durch Auswanderung? Zu den widersprüchlichen Zielvorstellungen antisemitischer Politik bis 1941, in: Wolfgang Michalka, *Der Zweite Weltkrieg*, München/Zürich 1990, S. 827-843.

53 The Jewish emigrants tried, for instance, to take with them valuable items that could be sold easily abroad without a great loss on their value, e.g. jewellery, utility articles made from precious metals (cutlery etc.), or even cameras.

54 See, for example, the commentary „Das gesamte Devisenrecht. Handkommentar für Wirtschaft und Praxis“, of which Dr. Weisbarth, who was supposed to be Jewish, was an author. BA Berlin, R3001 (alt R22), Nr. 1987. Another well known work was: Heinz Gottfeld/Erich Cohn, *Auswanderungsvorschriften für Juden in Deutschland*, Berlin 1938.

55 E.g., hip bags, Thermos flaks, hand mirrors, and even medical instruments and number plates were made from precious metals and were attempted to smuggle. Meinel, *Darstellung*, S. 115 und 118; Zwilling, *Akteure*, S. 118; Banken, *Großraubbwirtschaft*, Kapitel 3.2.

56 BA Berlin, R2, Nr. 56072 und 56073, *Banken Großraubbwirtschaft*, S. 3.2. On the escape over the German-Belgian border see also: Hans-Dieter Arntz, *Judenverfolgung und Fluchthilfe im deutsch-belgischen Grenzgebiet*, Euskirchen 1990. According to Arntz's estimation, the number of clandestine frontier crossings increased in 1935/1936. For further individual cases see: LA Berlin B Rep. 039 – 01 Nr. 325.

57 To a lesser extent, Jews "illegally" brought precious metals, securities and other valuables into other countries, too. Often, business journeys and emigration offered opportunities. Cf. the examples given by Bajohr, „Arisierung“, S. 156.

58 Norbert Schausberger, *Deutsche Wirtschaftsinteressen in Österreich vor und nach dem März 1938*, in: Gerald Stourzh, Birgitta Zaar (Hg.), *Österreich, Deutschland und die Mächte. Internationale und österreichische Aspekte des Anschlusses vom März 1938*, Wien 1990, S. 177-211, hier S. 197.

were only permitted to export valuable objects if they had paid their Reichsmark obligations to the German Golddiskontbank.⁵⁹ Already in the previous spring, the acquisition of foreign securities and the purchase of foreign currency from the German Golddiskontbank depended on a one hundred percent tribute in Reichsmark.⁶⁰

In addition to making transfers of foreign currency more difficult at the end of November 1937, there was general discrimination against Jewish enterprises for the first time. Thus, the Reich's Ministry of Economics forbade an increase in foreign currency and raw material allotments to Jewish enterprises and authorized an inquiry into these allotments so that these could be decreased.⁶¹ But these 1937 foreign currency decrees discriminated not only against the Jewish population. The implemented by-law of September 1937 served to remind all Germans of the obligation to report ownership of securities and foreign real estate. The aim was to enable the government to obtain an overview of the amount in case it became necessary to seize the assets from all Germans and turn them into foreign currency.⁶²

The activities of local foreign currency and customs offices frequently exceeded their legal mandates against the German Jews. They forbade, without a legal basis, but with increasing stringency, the exportation of valuables, especially those containing precious metals.⁶³ Thus the Hamburg foreign currency and customs offices virtually exceeded the implementation by the general foreign currency investigation office in Berlin.⁶⁴ Even a vague suspicion of capital flight or some other violation of foreign currency regulations sufficed to have a person's assets totally frozen or an enterprise liquidated by force.⁶⁵ The foreign currency offices and customs investigations entities not only followed the general

59 Walk, Sonderrecht, S. 208, Nr. II 388.

60 RGL I 1937, S. 255f; Walk, Sonderrecht, S. 183, Nr. II 263, S. 184 Nr. II 269, S. 186, Nr. II 281, S. 191, Nr. II 305, S. 203, Nr. II 365.

61 In practice, these controls always resulted in a decrease. Walk, Sonderrecht, S. 207, Nr. II 382. Cf. also the decree from 15.12.1937 of the Ministry of the Economy ordering the chambers of industry and commerce to investigate if a firm was to be regarded as Jewish. Walk, Sonderrecht, S. 207, Nr. II 385. On the discussion between the Ministry of the economy and the working group of the chambers of industry and commerce until early January 1938: BA Berlin, R 11, Nr. 1191.

62 The foreign currency investigations office also conducted investigations against „Aryan“ persons for violation of foreign currency laws. From 1936/1937 on, and especially since late 1938, currency controls at non-Jewish businesses became more frequent, and often led to indictments and punishment. However, in these cases violation of currency laws often brought about only a fine, whereas Jewish persons faced prison and confiscation of all their property. Cf. Bajohr, „Arisierung“, S. 190-221.

63 Bajohr, „Arisierung“, S. 190 und 220.

64 Bajohr, „Arisierung“, S. 189-223. Siehe zum Hamburger Beispiel auch: Gaby Zürn, Forcierte Auswanderung und Enteignung 1933-1941: Beispiele Hamburger Juden, in: Arno Herzig, (Hg.), Die Juden in Hamburg 1590-1990, Hamburg 1991, S. 487-514.

65 Bajohr, „Arisierung“, S. 189-216 und 227-233.

instructions of the Gestapo, but they also imitated their methods. They kept broadening their authority to confiscate the assets of emigrants and to liquidate Jewish businesses. Using the Hamburg example, Bajohr shows how, through a combination of anti-Semitic ideology combined with eagerness to carry out their duties, these attitudes strengthened their identification with the extortion methods applied against Jewish emigrants. The customs and currency office officials no longer strictly applied the letter of the law, but also took administrative actions that went beyond what the law required. The number of indictments of Jews for customs and currency infractions increased dramatically.⁶⁶ Apart from the measures taken against the emigrants, customs authorities and particularly the customs investigation office were involved in the control of mail freight, in the course of which the secrecy of the post and banks was put aside in favour of the currency control authorities' right to information. In most cases, the customs investigation office conducted the controls, and here, too, foreign currency offences were severely punished.⁶⁷

In the final analysis, the growing intensification of the various legal obstacles for the transfer of assets by Jewish emigrants as well as the more rigorous approaches used by administrative offices and the courts were a reflection of the growing influence of the Gestapo. Göring's protection enabled Heydrich to take action against the Jewish population by means of the foreign currency investigation office under the pretext of the matter-of-fact argument that foreign currency was scarce. On the one hand, this was done by decrees steering the actions of the subordinate foreign currency and customs authorities. For instance, in a secret decree from March 1937, Heydrich represented offences against the currency and tax laws as typically Jewish crimes which were pernicious to the German people and which were committed by the Jews out of pure greed for profit. In particular, he mentioned the "shifting" of capitals by Jewish emigrants, for example by transferring their enterprises abroad while leaving debts in Germany or not paying the taxes they owed to the Reich, state, and communes.⁶⁸ On the other hand, the SS exerted great influence by its involvement in the legislative process. Since Heydrich received information about gaps and proposals for improvements from

66 BA Berlin, R2501, Nr. 6446.

67 Werner Wilmanns, *Devisenwirtschaft – Warum und Wie? Notwendigkeit und Grundzüge der deutschen Devisenbewirtschaftung*, Berlin 1937, S. 139-144.

68 Meinel, *Darstellung*, S. 90.

currency and customs authorities via the foreign currency investigation office, he could make proposals to Göring and the Ministry of Economics which Schacht's ministry was less able to reject than before.⁶⁹ For example, in the case of the deliberations on the eighth implementation regulation during the first months of the year of 1937, although the currency department of the Ministry of Economics was the coordinating instance, the Gestapo repeatedly interfered with suggestions for, among others, the administrative realization of the blocking order of §37a.⁷⁰

The influence of the Gestapo increased the ideological underpinnings of currency control activities, so that all Jews were now suspected of capital smuggling. This assessment led to a policy of preventive measures. There were not only prohibitions over control of assets in cases of minimal suspicions but also preemptive actions of protection, thereby widening the net of control over all Jewish assets.⁷¹ The final development was the edict of April 26, 1938, requiring the registration of all Jewish assets.⁷²

As a consequence of Gestapo collaboration at the end of 1936, most of the new currency regulations were aimed not only at halting capital flight but also at robbing the entire Jewish population of all its assets. Foreign currency laws represented only one legal step among many. The increasing discrimination against the Jewish population continued undiminished in 1938. For example, import quotas and currency rations were decreased or cancelled.⁷³ The control of Jewish real estate sales decreased once more lowering possibilities of asset transfer abroad.⁷⁴ All currency regulations were also applied to the annexed territory of Austria.⁷⁵ Furthermore, in May 1938, the Reich's Ministry of the Economy issued an edict ordering emigrants to inform the pertinent currency control entity of all items prepared for moving abroad before such items were packed or shipped so as to prevent the loss of valuable assets.⁷⁶ Emigrants were forced to provide a list of all

69 Siehe die Diskussionen auf der 28. Sitzung des kleinen Generalrates des Vierjahresplans am 7.7.1938: BA Berlin, R26 IV, Nr. 4.

70 BA Berlin, R 3001 (alt 22), Nr. 1989.

71 Stefan Werner, *Wirtschaftsordnung und Wirtschaftsstrafrecht im Nationalsozialismus*, Frankfurt am Main u. a. 1991, S. 149-163, S. 149. Siehe auch Kapitel 7.

72 RGBI I 1938, S. 414f.

73 In early January of 1938, the import quotas and foreign currency allowances were cut or withdrawn. Furthermore, their production quotas and raw material allowances in the German economic system were reduced by 10%. Walk, *Sonderrecht*, S. 210, Nr. II 397.

74 On the reporting on real estate purchases in May 1938 see: *Deutsche Justiz* 1938, S. 738f; Walk, *Sonderrecht*, S. 224, Nr. II 465.

75 The introduction of the German foreign currency laws including all regulations into Austria was enacted by the law from 23.3.1938. Gottfeld/Cohn, *Auswanderungsvorschriften*, S. 30.

76 Walk, *Sonderrecht*, S. 225, Nr. II 468-469; Zwilling, *Akteure*, S. 410 und Meinel, *Darstellung*, S. 43.

items to the currency office, which had the power to decide which items could or could not be moved abroad.

In 1938, increasing restrictions on property rights did not satisfy the NS regime. It became inevitable that Goering, at the beginning of October 1938, after already instituting legal and technical activities aimed at registering all Jewish assets, planned a raid on these assets.⁷⁷ At the end of October, the Gestapo also considered a legal raid via a general blocking order affecting Jewish assets. In autumn 1938 already, the currency office ordered the customs investigation authorities to inspect all Jewish properties by means of the declarations which the owners had handed in. According to a circular note of the German savings bank and giro union to its members from 28 October 1938, the currency office planned to prepare the blocking order for the Jewish properties, "by which the rights of the owners to dispose of their property (...) are confined".⁷⁸ The regime used the incidents of the Reich's "Kristallnacht" to initiate measures for the prohibition of disposal of assets, contributions and other discriminating measures that vastly exceeded existing currency laws. The foreign currency laws were, after the November pogroms, only one instrument among many aimed at the exploitation of Jewish citizens and by no means the most important one. Contrary to assumptions stated in the current literature, the revision of the foreign currency law and its implementation regulations of December 12, 1938, was not a quick reaction to the Jewish pogroms of November 1938.⁷⁹ The new revision had been planned from September 1937 on to systematize the many small changes made since 1935 and to obtain a clearer picture of the entire system.⁸⁰ The annexation of Austria delayed the issuance of the law. That the persecution of Jews did not trigger the promulgation of the new currency laws is evident from the fact that a new implementing provision was promulgated still in December 1938 with new limitations for Jewish

77 On the session from 14.10.1938 and Göring's statements see: Wilfried Mairgünther, *Reichskristallnacht*, Kiel 1987, S. 62; Avraham Barkai, *Schicksalsjahr 1938. Kontinuität und Verschärfung der wirtschaftlichen Ausplünderung der deutschen Juden*, in: Ursula Büttner (Hg.), *Das Unrechtsregime*, Bd. 2., Hamburg 1986, S. 45-68, hier S. 62; BA Berlin, R26 IV, Nr. 5.

78 Avraham Barkai, *Schicksalsjahr 1938. Kontinuität und Verschärfung der wirtschaftlichen Ausplünderung der deutschen Juden*, in: Ursula Büttner (Hg.), *Das Unrechtsregime. Internationale Forschung über den Nationalsozialismus. Festschrift für Werner Jochmann zum 65. Geburtstag*, Bd. 2: *Verfolgung-Exil-Belasteter Neuanfang*, Hamburg 1986, S. 45-68; Meinel, *Darstellung*, S. 120.

79 RGBl I 1938, S. 1733, *Bekanntmachung des Gesetzes über die Devisenbewirtschaftung vom 12.12.1938*; RGBl I 1938, S. 1851-1890, *Verordnung zur Devisenbewirtschaftung (Richtlinien für die Devisenbewirtschaftung) vom 22.12.1938*.

80 Since September 1937, the Reich Ministry of the Economy pondered to issue a new foreign currency law, that was to contain and systematize the old law of 1935 and the ten implementing regulations issued so far. BA Berlin, R3001 (alt R22), Nr. 1987.

emigrants, a few days after the new currency law had been announced.⁸¹ In addition to increased supervision of payments accrued from exported merchandise and the importation of merchandise, emigrants were ordered to declare all travel and postal transactions that included foreign currency. These measures as well the ban on taking jewelry with them can clearly be traced to the increase in the number of Jewish citizens who wanted to flee after the pogroms.⁸²

In 1939, in addition to the general regulations concerning the securing of Jewish assets of 1938⁸³, special legal requirements followed, for instance concerning the sale of shares of stock, savings assets, and pension payments before emigration.⁸⁴ Furthermore, particular regulations were issued for taking along jewellery in connection with the so-called pawnshop action.⁸⁵ In addition, regulations were issued concerning the transport of “valuable items” e.g., radios, postage stamp collections or sewing machines on emigration.⁸⁶ Finally, the blocking order was rationalized in August 1939 and applied to all Jewish assets.⁸⁷ With this step, the development of the legislation to confiscate Jewish assets that had started with the interest of the Gestapo in capital flight by Jewish emigrants at the end of 1935, was completed. In fact, the changes in currency regulations after “Kristallnacht” served only as a complement to the already existing legal opportunities for German government entities to acquire all Jewish assets. Even before 1938 there were already very few, if any, legal and illegal possibilities for transfer abroad of Jewish assets.

81 RGBl I 1938, S. 1966, Durchführungsverordnung zum Gesetz über die Devisenbewirtschaftung vom 23.12.1938.

82 See, for instance, the express letter of the Reich Ministry of the Economy from 3.12.1938 in which were issued decrees on taking jewellery over the Reich frontier. BA Berlin, R3001 (alt R22), Nr. 1991.

83 See the decree of the Reich Ministry of the Economy from 5.12.1938 on the blocking of Jewish properties. Walk, Sonderrecht, S. 263, Nr. III 52.

84 Walk, Sonderrecht, S. 275, Nr. III 108, S. 286, Nr. III 158, S. 289, Nr. III 175.

85 Ralf Banken, Der Edelmetallsektor und die Verwertung konfiszierten jüdischen Vermögens im „Dritten Reich“. in: Jahrbuch für Wirtschaftsgeschichte 1/1999, S. 135-162, hier S. 142-158. Zu den Erlassen siehe Walk, Sonderrecht, S. 274, Nr. III 106 (16.1.1939 RWM V Dev 3/1774/39 – Nr. 11/39 DSt-Üst), S. 285, Nr. III 153 (2.3.1939. RWM Nr.- 40/39 – V Dev 3/9118/39), S. 288, Nr. III 171 (20.3.1939 RWM V Dev 3-11535/39 – AE 46/39 DSt.).

86 RGBl I 1938, S. 1734-1748; Walk, Sonderrecht, S. 300, Nr. III 227; Zwilling, Akteure, S. 254.

87 The Reich Ministry of the Economy ordained by a circular notice from 16.8.1939 (V Dev 8/30326/39 Nr. 108/39 DSt RE) that all Jews had to pay their cash amounts into special accounts with certified currency banks and that withdrawals from these accounts required a state permit. This decree to all intents and purposes equalled a formalised and automated blocking order in an emigration case, regardless if the Jewish proprietors wanted to emigrate or not. Walk, Sonderrecht, S. 300, Nr. III 227; see also Meinl, Darstellung, S. 44 und 106.

In November 1938, hardly any other legal or illegal alternatives to the illegal transfer had remained for those Jews that were willing to emigrate. Already before the seizures following the November pogrom, technically all Jews and their assets were trapped in Germany. The Department of Commerce played an important role in the exploitation of Jewish emigrants, and far more early than previous historical research claims. Whereas at first concerns about the scarcity of foreign currency dominated legislation, anti-Semitism now became the major motivation and triggered numerous measures. When Schacht lost his power from 1936 on, the foreign currency measures obtained more and more an anti-Semitic character. The SS as well as the agency for currency control, the customs, and the revenue offices, through their cooperation aggravated the foreign currency difficulties. Technically, however, the Ministry of Economics still coordinated the drafting and implementation of legislation.

Long before 1938, the currency law was an important instrument of discrimination and exploitation. From 1935 on, a bureaucratic organized plunder apparatus evolved. This went hand in hand with an increasingly ideological mentality among the staff involved. Hitler's four year plan memoir (Vierjahresplandenkschrift) in September 1936 referred explicitly to the use Jewish assets for financing rearmament.⁸⁸ The entire confiscation of Jewish property formed only a part of the general policy on foreign currency. In order to continue the economic and political course and the rearmament, the government had since 1933 acquired the necessary resources whenever it needed them.

From 1936 on, German foreign assets were taken from all Germans, including private German foreign assets. In addition, the regime plundered Austrian and Czech gold and foreign currency reserves. The takeover of assets belonging to Jewish emigrants was only part of the overall policy. In Contrast to the Germans, who always received an adequate compensation for their gold or foreign assets, Jews experienced great losses and thus discrimination. What becomes obvious from 1934 on is an interventionist spiral, which

88 Apart from the plans for the plundering of the Jewish population, the Four Year Plan memoir also shows his concurrence with Göring's demands and his policy on foreign currency from September 1936 on. Hitler wrote in the memoir from August 1936: „Furthermore, I consider it necessary to undertake an investigation of the the foreign currency debts of the German economy abroad. There is no doubt that our economy's liabilities today are enormous, and there is no doubt as well that this partly is due to the malicious intention to possess in any case certain reserves abroad, were they are out of the reach of the German government. I regard this as conscious sabotage of our national struggle respectively the defence of the Reich, and therefore I think that two laws must be passed by the Reichstag: 1. a law that provides the death penalty for economic sabotage, and 2. a law that makes all Jews liable for all the damage that single specimens of this crime inflict on the German economy and therefore on the German people.” Treue, Denkschrift, S. 205, 207, 209 und 210.

was accelerated by the growing currency deficit. Moreover, the takeover of the foreign currency policies by Goering and the establishment of the foreign currency investigation office intensified the previous policies.⁸⁹ As an ideological justification for the national access to the financial resources of the Jewish emigrants, the National Socialists portrayed Jews as rich parasites draining Germans of their assets.⁹⁰ According to Nazi ideology, private property was defined as “Volksgut”, that means collective property of the German people. Therefore, it was possible to use all private property for the public good, e. g. to finance the trade balance deficit by confiscating all private foreign currencies and precious metals. But the state acquisition of Jewish property was much more intensive than the surrender of private foreign currency possessions that was also imposed on “non-Jewish” citizens. According to the National Socialist point of view, Jews did not belong to the "National Community", and they had accumulated their possessions over generations by means of fraud. Therefore, they interpreted the robbery of Jewish property solely as the repatriation of assets to the German national community.⁹¹ This ideological motivation for total dispossession provided also the justification for the confiscation private assets. The financial discrimination of German Jews before 1938 in this respect also anticipated the various more far-reaching spoliation measures introduced after November 1938.

After 1938 the foreign currency law played only a subordinated role in the German seizure of all Jewish assets. To be sure, currency regulations containing several

89 For Bajohr, the establishment of the foreign currency investigations office by Heydrich is only one out of three causes for the radicalisation of the policy of „Aryanization“ und exploitation of the revenue service. In addition, there were the new restrictive regulations on transfers and the further confining of the rights of Jewish people to dispose of their property by the new special foreign currency law from 1.12.1936 and the foreign currency investigation service after the decree of the Reich Ministry of the Economy from 22.10.1936. However, in that Bajohr fails to see that the new legal regulations and the growing number of foreign currency investigations in October and December of 1936 probably are the results of Heydrich's policy and his demands as the supreme foreign currency investigating official. In that, Heydrich was in exact concurrence with Göring and the demands of Hitler. Bajohr, „Arisierung“, S. 191-194.

90 In Nazi ideology, people's property meant the total public and private property. On the National Socialist concept of private property and people's property, see: Martin Brandt, *Eigentum und Eigentumsbindung*, in: Ernst-Wolfgang Böckenförde (Hg.), *Staatsrecht und Staatsrechtslehre im Dritten Reich*, Heidelberg 1985, S. 212-235, hier S. 219; Barkai, *Wirtschaftssystem*, S. 40; Enrique J. Brahm Garcia, *Eigentum und Enteignung im Dritten Reich*, Steinbach 1985, S. 22.

91 Barkai, *Boykott*, S. 189-192; Ders., *Etappen der Ausgrenzung und Verfolgung bis 1939*, in: Ders./Paul Mendes-Flohr/Steven M. Lowenstein (Hg.), *Deutsch-jüdische Geschichte in der Neuzeit*. Bd. IV, *Aufbruch und Zerstörung 1918-1945*, Frankfurt am Main 1997, S. 221.

restrictions on the use of the Jewish property were still enacted⁹², but these laws were only one of many ways used for securing and seizing property belonging to Jews. Accordingly, on 26.5.1941 Goering dissolved the foreign currency investigation office. This occurred after Heydrich, in late march, had announced that the office was no longer needed.⁹³ This dissolution can be explained with the impending emigration ban as well with the decision to begin the deportations of Jews. Heydrich abandoned this powerful position because the currency law for the Gestapo was tied to anti-Semitic measures. Also, the dissolution of the foreign currency investigation office shows the purely functional character of the currency law. After July 1931, the main goal of the currency law was the currency stabilization and continuation reparation payments. After 1934, however, it served increasingly to finance rearmament and to guarantee necessary imports. Aside from this function, the currency law was used as a discriminatory instrument to seize the assets of the emigrating Jewish population.

It is important to know that the development of the foreign currency law was neither before nor after the seizure of power by the Nazis part of a concrete master plan. This is clearly indicated by the introduction of the foreign currency regulations between 1931 and 1932 and by the establishment of the rationing system of goods in March 1934. Legislation mostly reacted only on an *ad hoc*-basis to emerging problems. Similarly, this pattern appears in the regulations governing the transfers of assets in Jewish emigration. The publication of numerous governmental legal specifications was often a reaction to the escape strategies of Jewish emigrants, and was used to avoid the evasion of the existing regulations. This step by step-practice formed an interventionist spiral which Heydrich's politics and his foreign currency investigation office accelerated. And it was clearly him and his subordinated office who also were mainly responsible for the currency law being heavily used since 1936 as an ideological instrument of financial discrimination.

92 Bis August 1941 betrafen u. a. die Verfügung über Sperrguthaben, oder die Anbietung von Wertpapieren. Siehe Walk, Sonderrecht, S. 311-333, Nr. IV 43, Nr. IV 96, Nr. IV 102, Nr. IV 114, Nr. IV 135, Nr. IV 150, Nr. IV 166 und Nr. IV 226. Vergleiche auch mit Zwilling, Akteure, S. 304 und 443.

93 BA Berlin, R2, Nr. 56072.