

EHRI Online Course in Holocaust Studies

DTB GG

Ghettos under Nazi Rule – The German Administration

Translation: A02 General Government protocol on Warsaw Ghetto economics

Minutes of the working session of the administration of the General Government, Krakow, from 19 April, 1941

*Working session: consultations on the decree regulating economic transactions in the Warsaw Ghetto*

Undersecretary [Unterstaatssekretär] *Kundt* opens the session by summarising the background to the decree in its present form. As undersecretary *Kundt* explains, the original draft had to be reworked because it provided Governor Dr Fischer with a special authority for the Warsaw District that deviated from normal administrative practice. Governor Dr Fischer has now raised an *objection* to the wording of § 1, according to which the district head [Distriktchef] is authorised to take measures for the Warsaw Ghetto only within the framework of the general directives issued by the government administration [Regierung des Generalgouvernements]. In the present case however, the responsible main department of the administration must be authorised to issue fundamental directives if necessary. The second *objection* was raised by bank director Dr Paersch based on basic fiscal considerations. This is the reason why the Governor General has delayed signing the decree. Governor Dr *Fischer* recalls that the original wording of § 1 had been discussed with state secretary Dr Bühler and undersecretary *Kundt*. At that time the restriction “within the framework of general directives issued by the government administration” had not been contained in the wording of § 1. This draft of the decree has already been signed by the Governor General. It is simply unavoidable that a particular authority assumes responsibility for the ghetto. He subsequently made appropriate preparations and on the basis of § 1 ensured that he was given the necessary authorisation. It is actually self-evident, and he can guarantee this personally, that in his capacity as Governor he has no intention of undertaking anything that, with the formation of this ghetto, runs contrary to the interests of the General Government or the administration. Shall authorisation be issued, and in addition every single main department of the administration can of its own accord also pass directives for the ghetto, then he is not in a position to be able to work effectively.

Bank director Dr *Paersch* deems it imperative to also judge the circumstances from a strictly fiscal viewpoint. The formation of the ghetto in Warsaw is to be traced back to the Lodz Ghetto. Unlike the Warsaw Ghetto, the Lodz Ghetto is run by the municipal authority. The number of occupants in the Lodz Ghetto is 150,000, the overall population of the city some 600,000. In Warsaw the difficulties are exacerbated by the fact that a closed-off ghetto has been established. In Lodz it was assumed that with the incorporation of the Eastern Territories it would be possible to remove the Poles and Jews from the city immediately. Also in terms of economic and fiscal policy it is easier to survey the situation in the Lodz Ghetto because it was set up at an earlier date. In Lodz it was attempted to organise the possible employment of the inhabitants of the ghetto appropriately, namely through the two channels of deployment in work details and work created through the placement of orders. Work in filling orders has taken place mainly in the areas of the textile industry and carpentry. Nevertheless, it has become apparent that the Lodz Ghetto requires a monthly

subsidy of 1 million Reichsmark. In Lodz every effort has been made to employ the Jews accordingly. In Warsaw as well, once the old supplies are used up, the problem of covering costs will have to be faced one day. In the memorandum of the Reich Advisory Board for Economic Efficiency [Reichskuratorium für Wirtschaft] the view is taken that some 20,000 ghetto inhabitants could be put to work. From this it may be concluded that daily expenditure drops to 100,000 zloty. It is necessary to once again ascertain what the experience in Lodz was, so as to avoid that above all the stocks of food, brought in before the formation of the ghetto in large amounts, will not be depleted. Otherwise, he concurs with the purport of the decree in general, even if some details are missing which would be needed to come to a well-founded assessment of the problem. The amount of supplies existing or to be found in the Warsaw Ghetto needs to be identified, moreover which business orders the ghetto has been able to obtain and charge for, and finally which production facilities have meanwhile been established in Warsaw. The *Governor General* approves the formation of the ghetto in Warsaw and is of the view that there was simply no other alternative. The choice was between a closed residential district and a closed ghetto. If a closed residential district had been created that gradually adapted to the role model in Lodz, then the economic relations the Jews had with other inhabitants would not have been broken. Every single person would have been responsible for their own livelihood and would not have become a burden for the general community, as it now the case when all economic dealings with the ghetto are largely prohibited. The burden of providing for their own livelihood, the concern of every single person, is shifted to the whole upon the formation of a closed ghetto. Governor Dr *Fischer* points out that every effort was being made to learn from Lodz. The situation there has been studied for months and he himself has regularly sent responsible officials to observe the overall development of the Lodz Ghetto. The Lodz Ghetto is facing a difficult situation because all provisions and production facilities were removed from the ghetto at the beginning. This approach was not taken in Warsaw; all that has been taken out of the ghetto since November last year is of no economic importance. Mainly foreign currencies, gold and similar valuables have been removed. Textiles have hardly been touched. Whatever comes out of the Warsaw ghetto is given immediately to the Trust Office [Treuhandstelle] and then commercially utilised through the Transfer Office [Transferstelle]. According to the Labour Office [Arbeitsamt], there are 115,000 male and 60,000 female Jews in the Warsaw Ghetto capable of work. At present, around 12,000 Jews are employed continually in Warsaw city. 25,000 Jews have been drafted into melioration work, and the Lublin District has also requested 25,000 Jews, the majority of whom have already been transported there. All in all, there are not very many men remaining in the ghetto who still need to be put to work. Workshops with an initial workforce of 6,000 to 7,000 are already up and running. Seen so, he holds no fears that the Warsaw Ghetto will encounter difficulties. If one were to create a closed residential district and let the Jews walk about freely, then the danger would be much greater: the Jews would forage for everything they could get their hands on outside the ghetto and then bring it all back and hoard it there. In that case one may as well let them live outside a closed residential district. In his view a basic agreement has already been reached in Warsaw. The economic side has been examined in great detail. Objections raised by some have long been discussed, and things have been put in place so that the whole ghetto question is dealt with totally in terms of the guidelines laid out by the Economics department [Abteilung Wirtschaft]. Bank director Dr *Paersch* sees in this information a clarification of conditions, but regrets the lack of details as to if and to what extent supplies have been removed since the shutting of the ghetto on 25 November 1940.

While Governor Dr *Fischer* cannot give any figures, he believes to be able to reassure that the amount removed was not very substantial. Bank director Dr *Paersch* points out that there is a large shortage of workers in the Reich, while here sufficient workers are available. Given the problem of procuring workers, one is confronted with certain difficulties. Therefore, it is impossible to maintain the Lodz Ghetto without monthly subsidies of 1 million Reichsmark.

Governor Dr *Fischer* thinks that false assumptions are frequently made. In Warsaw, from the outset emphasis was placed in ensuring that business relations between Jews and Poles continued. Thus, a large volume of business still takes place today. Finance president *Spindler* initially had misgivings about the decree because the annual subsidy was estimated to be 100 million zlotys. This sum would have been unsustainable for the fiscal authority. He then dropped his objections after ministerial director [Ministerialdirigent] Dr Emmerich had explained that such a sum was out of the question. He requests an answer to the question as to why it can be safely said that an annual subvention of 72 million is not necessary.

Governor Dr *Fischer* cannot name a specific amount, but stresses that business relations between the ghetto inhabitants and the outside world are not to be severed, but on the contrary nurtured. A community of German companies has also been formed in Warsaw who will devote their energies to this task. Furthermore, it needs to be considered that the Wehrmacht already has large orders for the ghetto. In contrast to the approach taken in Warsaw, in Lodz anything that was valuable and usable was taken out of the ghetto, so that the Jews were deprived of any opportunity to work in any form. The time has been used to build up the ghetto economically. One cannot do any more for the time being. Even if only 115,000 Jewish workers were to be employed, then he sees this as no threat at all to the ghetto, and there will soon be a shortage of workers there as well. Ministerial director Dr *Emmerich* sees the formation of a Warsaw Ghetto not as a problem purely on the level of local administration but impacting on the overall economy in all its manifestations. No matter whether the concern is the procurement of raw materials or orders from the Reich, it is necessary that the central authorities tackle the issue and a compromise sought between the interests of the overall economy and the particular interests of the ghetto. Permitting the ghetto to engage in commerce with the outside world is a question of organisation. To the extent that the necessary base for this commerce is found, one could gradually reach a state of isolation for the Jewish residential district, always on the condition however that the hindrances to commerce are practically overcome through appropriate measures. He is not quite convinced that economic aspects have always been taken into consideration. It is obvious that, from the very outset, there was no clear understanding about the problem. Governor Dr *Fischer* objected to this, saying that there was a clear idea from the beginning. He had given the firm order to examine how economic transactions between the ghetto and the rest of the city could be maintained. His representative Schön had worked along the same lines. On the other hand, ministerial director Dr. Emmerich points out that the responsible official had obviously thought that the Transfer Office [Transferstelle] was to function like an economic organisation. If the cutting-off of telephone lines, etc. etc. had been continued with, then this would have led to a completely unwieldy bureaucratic apparatus which would have had to be called in even if someone only wanted to visit the ghetto. Admittedly, the Transfer Office had intended to maintain economic dealings, but a tactically wrong path was taken when creating the organisational preconditions. That is why he has devoted his interest to the whole question, and it is also the reason for the intervention by Dr Gater, who has taken stock of the individual complexes from a general

economic viewpoint. He put aside his reservations after it was clarified that the Transfer Office was not to operate as a kind of liable organ for compensation claims raised by the Wehrmacht. The Transfer Office could not take responsibility for such risks. At the exhaustive consultations in Warsaw it became clear that one is dealing with private enterprise contracting parties. The tailors, for example, would be joined into cooperatives, and on the other side, they are to deal with German companies who would have a contractual relationship with the Transfer Office. In the ghetto capitalist methods are to be used, but they are not permitted to bring an official office into an undertaking that it cannot sustain. Contrary views between Governor Dr Fischer and the Economics department (Abteilung Wirtschaft) are no longer apparent. Governor Dr *Fischer* reminds those present that he had spent three weeks setting up the Transfer Office and was surprised at what it had achieved. He noted that it pursued its work very much based on commercial considerations. Department head [Ministerialdirigent] Dr Emmerich is primarily interested in turnover figures and believes that, in view of the fact that the ghetto has been existence for just five months, only very modest numbers will be achieved. It is in the interest of the Economics department to help the Warsaw authorities where it can. The meeting then moved on to discuss the tasks to be assigned to the Transfer Office. Finance President *Spindler* placed great stress on ensuring that the Transfer Office not be burdened with risks it cannot sustain. Bank Director Dr *Paersch* would like to see it as an office for monitoring the carrying out of public orders.

Department president [Abteilungspräsident] *Westerkamp* considers it right that the regulative authority over the ghetto and the city be shared administratively. The representative for the city of Warsaw must then be made responsible for things overall. He could appoint a commissar with a certain autonomy. On the other hand, it has to be taken into consideration that certain things cannot be resolved. Governor Dr *Fischer* adds for consideration that the city administration alone cannot take on this task. Moreover, the Economics department for the District also works on questions affecting the whole economy of the city. The running of business would be considerably simpler if uniformity were created here. A large number of the tasks to be dealt with concerning the city are performed in any case by the District. This is purely a question of practicability. The *Governor General* regards it as feasible that the specific measures be undertaken in agreement with the commissioner representing the district chief [Beauftragter des Distriktchefs]. Governor Dr *Fischer* emphasises that the current arrangement saves the city authority [from employing] numerous officials and workers.

Department president *Westerkamp* is nonetheless of the view that the district commissioner [Distriktsbeauftragter] *Leist* must have overall responsibility. Incidentally, it is practically so that the ghetto represents a kind of foreign city. Governor Dr *Fischer* adds for consideration that the formation of a ghetto amounts to a new phenomenon, for which one cannot simply use general administrative principles. Over the last five months the District has been implementing measures regarding the ghetto in agreement with the municipal authority and never against the municipal authority. Undersecretary *Kundt* declares that they had been convinced by the explanation that it was practicable to carry out this separation, even if, from the standpoint of the general administrative system, the formation of the ghetto remains a onetime exception. The Transfer Office shall serve to advance and monitor economic transactions. On the other hand, it has nothing to do with carrying out business operations, it is thus not a company. The fundamental question if the ghetto will eventually

cost money to sustain is contentious. It all depends on running the ghetto economically, so that it practically costs the state nothing. Finance president *Spindler* is ready to accept that a certain financial risk exists. Bank director *Dr Paersch* does not see his objections refuted by the explanation given by Governor *Dr Fischer*. One is confronted with the irrefutable fact that a ghetto exists for several months and the result at present is that every month a subsidy of 1 million Reichsmark is necessary. This subsidy is met however by the Main Trust Office East [Haupttreuhandstelle Ost]. Permanent secretary [Ministerialrat] *Plodeck* wishes clarification as to if the adverse balance, which now appears likely, is to be covered from funds from his administration. The *Governor General* is of the view that, should one not form a ghetto for Jews in Warsaw, with which one could to some extent tackle the difficulties, then one would have to accept the consequence that, given the free enterprise activities of Jews, the economy would become completely uncontrollable. Here the choice has to be for the lesser of two evils. That the ghetto cannot be disbanded and the Jews allowed to act as they want, is something that all agree on. In addition, the Führer has promised him that the General Government shall be the first area completely freed of Jews. It is thus not a lasting burden, but a phenomenon typical of war, perhaps even a defensive measure for protecting the Reich. Even if this measure generates costs, it would be a reassuring feeling for him to have half a million Jews under control. He agrees with Governor *Dr Fischer* that this represents a completely new measure. On the other hand, this makes it his duty to see the whole question of the Warsaw Ghetto as an affair concerning the General Government and not merely one for a District. Governor *Dr Fischer* must therefore always contact the government administration [Regierung] immediately if any difficulties crop up, even with regard to individual measures. Before Governor *Dr Fischer* takes measures he must give the respective department presidents of the administration an opportunity to become involved. The government administration must also give Governor *Dr Fischer* every support. Governor *Dr Fischer* is not permitted to send a representative to such negotiations but has to appear in person. Undersecretary *Kundt* wishes to see noted that the formation of a ghetto in Warsaw is a onetime operation and will not be replicated in other Districts. The *Governor General* directed that this be included in the minutes. At the conclusion of consultations the *District Commissioner* for the city of Krakow reported on the formation of the *Jewish residential district in Krakow*. This is a residential district where some 15,000 Jews are to be housed. Incidentally, conditions in Krakow are not to be compared with those in Warsaw. Department president *Westerkamp* declares his support for a strict implementation of the regulations restricting residency for Jews. Any violation of the prohibition on leaving the ghetto has to be acted on with the strictest set of punishments, including the death penalty. Hereupon the *decree* is signed. Governor *Dr Fischer* then announces an intended *reduction in rental prices* in Warsaw, against which the pricing department will not be objecting. Finance president *Spindler* remarks that he has supported this in principle, on the condition that the "Internal Administration" department [Abteilung "Innere Verwaltung"] approves this measure. Governor *Dr Fischer* hands over to the Governor General a *Map of the City of Warsaw* with the boundaries of the ghetto marked.

*translated by Paul Bowman*