On September 29, 1936, the state secretary in the German Ministry of the Interior, Wilhelm Stuckart, convened a conference of high officials from his own agency, from the Ministry of the Economy, and from the Office of the Deputy Führer in order to prepare recommendations for a meeting of ministers regarding the further steps to be taken in regard to the Jews at this post-Nuremberg stage. As the office of the Deputy Führer represented the party line, the Ministry of the Interior (though headed by the Nazi Wilhelm Frick) often represented middle-of-the-road positions between the party and the conservative state bureaucracy, and the Ministry of the Economy (still headed by Schacht), was decidedly conservative, it is remarkable that, at this conference, the highest officials of the three agencies were entirely in agreement.

All those present recognized that the fundamental aim now was the "complete emigration" of the Jews and that all other measures had to be taken with this aim in mind. After restating this postulate, Stuckart added a sentence that was soon to find its dramatic implementation: "Ultimately one would have to consider carrying out compulsory emigration." 43

Most of the discussion was concentrated on dilemmas that were to bedevil German choices until the fall of 1938: First, what measure of social and economic activity should be left to Jews in the Reich so as to prevent their becoming a burden to the state and yet not diminish their incentive to emigrate? Second, toward which countries was Jewish emigration to be channeled without it leading to the creation of new centers of anti-German activity? The participants agreed that all emigration options should be left open, but that German means should be used only to help the emigration to Palestine. In answer to the question whether the press was not slowing down Jewish emigration to Palestine by reporting the Arab anti-Jewish unrest there, Ministerial Director Walther Sommer (from the Deputy Führer's Office) indicated that "one could not reproach other nations for defending themselves against the Jews." No measures regarding the press reports were to be taken. 44 And no decision was made regarding the problem of the identification of Jewish businesses. 45

The September 1936 conference was the first high-level policy-planning meeting devoted to the regime's future anti-Jewish measures in which the priority of total emigration (compulsory emigration: that is, expulsion if need be) was clearly formulated. Before the passage of the Nuremberg Laws, segregation had been the main goal, and it was only in September 1935 that Hitler, in his declaration to Walter Gross, mentioned "more vigorous emigration" of the Jews from Germany as one of his new objectives. Thus, some time at the end of 1935 or in 1936, Hitler's still tentative formulations became a firm guideline for all related state and party agencies. The move to new objectives tallied, as has been seen, with the new radicalization in both the internal and the external domains.

Simultaneously the "cleaning" process was relentlessly going forward: The major initiatives stemmed from Hitler, yet, when other initiatives were submitted to him by cabinet ministers or high party leaders, his approval was far from being automatic. On April 1, 1933, some 8,000 to 9,000 Jewish physicians were practicing in Germany. By the end of 1934, approximately 2,200 had either emigrated or abandoned their profession, but despite a steady decline during 1935, at the beginning of 1936, 5,000 Jewish physicians (among them 2,800 in the Public Health Service) were still working in the Reich. The official list of the country's physicians for 1937 identified Jewish physicians as Jews according to the Nuremberg criteria; by then their total was about 4,200, approximately half the number of those listed in 1933, 46 but in Nazi eyes still too many by far.

On December 13, 1935, the minister of the interior submitted the draft of a law regulating the medical profession. According to the protocol of the cabinet meeting (which gave no details of the draft), Frick drew the
Generally, however, Frick could boast of outright success. On July 21, 1937, he solved another major problem: safety measures to be taken regarding the presence of Jews in health resorts and related establishments. Jews were to be housed only in Jewish-owned hotels and guesthouses, on condition that no German female employees under forty-five worked on the premises. The general facilities (for bathing, drinking spa waters, and the like) were to be accessible to Jews, but there was to be as much separation from the other guests as possible. As for facilities with no immediate health function (gardens, sports grounds), these could be prohibited to Jews.25

But as in previous years, Hitler hesitated when a measure could create unnecessary political complications. Thus, on November 17, 1936, he ordered further postponement of a law on Jewish schooling,26 a draft of which had been submitted to him by the minister of education. It seems that at the time Hitler was still wary of implementing the segregation of Jewish children on racial lines, as it would have entailed the transfer of Jewish children of Christian faith into Jewish schools and added further tension to relations with the Catholic Church.27

At times the cleansing measures turned into a totally surrealistic imbroglio. The issue of doctoral degrees for Jewish students was one such instance.28 The problem was apparently raised at the end of 1935 and discussed by the minister of the interior: Any restrictions on the right to obtain a doctoral degree were not to apply to foreign Jewish students; for German Jews the issue remained unresolved. At the beginning of 1936, it was brought up again by the notorious Wilhelm Grau, who was about to become head of the Jewish Section in Walter Frank's Institute for the History of the New Germany. On February 10, 1936, Grau wrote to the secretary of state for Education that he had been asked to evaluate a dissertation on the history of the Jews of Ulm in the Middle Ages, submitted by a Jew at the faculty of philosophy of Berlin University. "Whereas in the above-mentioned case," wrote Grau, "the dissertation is already inadequate from a scientific viewpoint, a general question also arises, namely whether Jews should be allowed to obtain a doctorate at all in a German university on such historical subjects. As our university professors unfortunately have little knowledge and even less instinct regarding the Jewish question, the most incredible things happen in this area." Grau continued with a story mentioned in the discussion of his first contribution to the Historische Zeitschrift: "Last October, an Orthodox Jew called Heller obtained his doc-
torate at the University of Berlin with a dissertation on Jews in Soviet Russia, in which he attempted to deny entirely the Jewish contribution to Bolshevism by using a method that should raise extreme indignation in the National Socialist racial state. Heller simply does not consider those Jews he finds unpleasant, such as Trotsky and company, to be Jews but anti-Jewish 'internationalists.' With reference to this, I merely want to raise the question of the right of Jews to obtain a doctorate."

The discussion on this topic, which developed throughout 1936 and the early months of 1937, involved the Ministry of Education, the deans of the philosophy faculties at both Berlin and Leipzig Universities, the rectors of these universities, the Reichsstatthalter of Saxony, and the Office of the Deputy Führer. The Ministry of Education's attitude was to adhere to the law regarding Jewish attendance at German universities: As long as Jewish students were allowed to study in German universities, their right to acquire a doctoral degree could not be canceled. The best way of handling the situation was to appeal to the national feelings of the professors and prevail upon them not to accept Jews as doctoral students. But some deans (particularly the dean of the philosophical faculty at Leipzig) declared that, as party members, they could no longer bear the thought of signing doctoral degrees for Jews.

On February 29, 1936, the philosophy dean at Berlin University emphasized the negative consequences that stemmed from the rejection of the dissertations of all four Jewish doctoral candidates (Schlesinger, Adler, Dicker, and Heller) in his faculty. Since in each instance the dissertation topics had been suggested by "Aryan members of the faculty," rejection of the theses also affected the professors concerned. The dean cited one of them, Professor Holtzmann, sponsor of "the Jew Dicker's" rejected thesis on the Jews of Ulm: "Filled with anger, Holtzmann declared that he had had enough, and that he would no longer direct the doctoral work of any Jew."

On October 15, 1936, Bormann intervened. For him, appealing to "the national consciousness of the professors" was not the right way to handle the matter. "In particular," Bormann wrote to Frick, "I would not want the implementation of basic racial tenets that derive from the worldview of National Socialism to be dependent upon the goodwill of university professors." Bormann did not hesitate: A law prohibiting the award of doctoral degrees to Jewish students was necessary, and it was to be aimed at the professors, not the students. As for foreign reactions, Bormann thought that the impact of the law would be beneficial; in justifying this claim he used an argument whose significance extended well beyond the issue at hand: "Furthermore, I believe that the decree will fall on favorable ground, particularly in racially alien countries, which feel slighted by our racial policy, as thereby Jewry will once more be consciously set apart from other foreign races." There was no objection to granting the doctoral degree to Jewish students who had already fulfilled all the necessary requirements.

A decree reflecting Bormann's view was drafted by the minister of education on April 15, 1937: The universities were ordered not to allow Jewish students of German citizenship to sit for doctoral exams. Exemptions were granted to Mischlinge under various conditions, and the rights of foreign Jews remained as before.

The matter seemed settled. But only a few days later, on April 21, a telegram from Dean Weinhandel of the Kiel University philosophy faculty arrived at the Ministry of Education requesting "a decision whether reservations exist against acceptance of anthropology doctoral dissertation when candidate has Jewish or not purely Aryan wife."

The purification process also duly progressed at the local level. Thus, the Munich city fathers, who had excluded the Jews from public swimming pools in 1935, took a further bold step in 1937. Now the Jews were to be forbidden access to municipal baths and showers. But as the matter was weighty, Bormann's authorization was requested. It was refused, although it is not clear what Bormann's reasons were.

Slowed down in one area, the Munich authorities pushed ahead in another. Since 1933 the city streets that bore Jewish names had gradually been renamed. At the end of 1936, however, Mayor Karl Fiehler and the Construction Commission discovered that eleven Jewish street names still remained. During 1937, therefore, with assistance from the municipal archive, the names that were undoubtedly Jewish were changed. But as an archive official put it, there was always the possibility that "as a result of more thorough research, one or more street names might be identified as being Jew-related."

In Frankfurt the problems created by Jewish street names were worse. It seems that the first person to raise the issue publicly was a woman party member, who on December 17, 1933, wrote an open letter to the Frankfurter Volksblatt: "Please do me the great favor of seeing whether you could not use your influence to change the name of our street, which is that
of the Jew Jakob Schiff. Our street is mainly inhabited by people who are National Socialist-minded, and when flags are flown, the swastika flutters from every house. The 'Jakob Schiff' always gives one a stab to the heart."

The letter was sent to the municipal council, which forwarded it to the city commission for street names. In March 1934 the commission advised the mayor of all the donations made by the Jewish-American financier Jacob Schiff to various Frankfurt institutions, including the university, and therefore suggested rejecting the proposed name change, especially since, given the importance of the Jacob Schiff private banking house in the United States, such a change would be widely reported and could lead to a demand for restitution of the monies that had been given to the city.

The letter in the Volksblatt had, however, triggered a number of similar initiatives, and on February 3, 1935, after a lengthy correspondence, the city commission for street names requested the mayor's agreement to the following proposal: The names of fourteen streets or squares were to be changed immediately, starting with Börne Square, which was to become Dominicans’ Square. When Nazi propaganda "discovered" that Schiff had heavily financed the Bolsheviks, Jakob-Schiff-Strasse became Mumm-Strasse (in honor of a former Frankfurt mayor). Twelve more streets were to be renamed in 1936, and twenty-nine others whose renaming had been suggested were to keep their names, either because their real meaning could be explained away (Mathilden-Strasse, Sophien-Strasse, Luisen-Strasse, and Luisen-Platz, all in fact named after women of the Rothschild family, would now be regarded as merely named for generic women) or because no sufficient or valid reason could be found for the change. In the case of Jakoby-Strasse, for instance, the name's possibly Aryan origins had still to be researched; as for Isselin-Strasse, "Issac Isselin was not a Jew (the biblical first name was common among Calvinists from Basel)."

In Stuttgart the exclusion of Jews from public swimming pools was postponed until after the Olympic Games; anti-Jewish initiatives did not, however, lag behind those in other German cities. Quite the contrary. The local party leaders were infuriated by the fact that, at least until 1937, the Jewish population of the city was growing rather than declining. Jews from the small towns and villages of surrounding Württemberg were fleeing to the city in the hope of finding both the protection of anonymity and the support of a larger community. Thus, whereas during the first seven months of 1936, 582 Jews left Stuttgart, 592 moved in. It was only at the end of 1937 that the four-thousand-strong Jewish population started to decline."

The city council decided to take Jewish matters in hand. After asking for advice from, of all places, Streicher's Nuremberg, the council decided at its September 21, 1936, meeting that old people’s homes, nursery schools, and (finally) swimming pools belonging to the city were forbidden to Jews; in hospitals Jews were to be separated from other patients; city employees were forbidden to patronize Jewish shops and consult Jewish physicians; Jewish businessmen were forbidden to attend markets and fairs; and the city canceled all its own real estate and other business transactions with Jews.

Paradoxically these initiatives led to a clash with the state administration of Württemberg, when the latter demanded that a Stuttgart Jewish developer be exempted from the building limitations. The city council complained to the Württemberg Ministry of the Interior, and Stuttgart mayor Karl Strölin mentioned the incident as an example of the differences that could arise between city and state authorities regarding the implementation of anti-Jewish policies."

Such confrontations, mainly between regional bureaucracies and local party members, were actually not unusual. In Offenburg, in the Breisgau district, one started on March 19, 1937, with a complaint sent by a Jewish attorney, Hugo Schleicher, to the Offenburg district office in the name of the local Jewish community and of the Jews of Gengenbach, an Offenburg suburb. A grocer there, a certain Engesser, had refused to sell groceries and milk to a Jewish customer named Ferdinand Blum. The reason, it soon appeared, was that the mayor of Gengenbach, who also chaired the finance committee of the local hospital, had informed Engesser that he would not be allowed to sell his wares to the hospital if he continued to sell goods to Jews. As all grocers in Gengenbach were allowed to sell to the hospital, the mayor's tactics would quickly achieve a result that Schleicher clearly defined in his letter: "The final consequence of this measure will be that the Jewish population of Gengenbach will no longer be provided with food and milk.""

The Offenburg district office forwarded the complaint to Gengenbach's mayor and asked for an answer. On April 2 the mayor wrote back "concerning the complaint of the Jew H. Schleicher": "The facts presented in the complaint are correct. At the crow-black Engesser's ['crow-black' meant that Engesser was a devout Catholic], the customers, apart from the Jews, are the blackest types of Gengenbach, so that his store has
Munich newspaper published anything about the four-hour visit paid in 1936 by Göring, accompanied by his adjutant, Prince Philipp von Hessen, to Otto Bernheimer’s carpet and tapestry store. Although Bernheimer’s was well known as a Jewish-owned business, Göring paid 36,000 Reichsmarks for two rare carpets, which were duly sent to their lofty destination in Berlin.77

Indeed, Göring was no exception, nor were the Stuttgart society ladies. Gestapo reports from various parts of the Reich indicate that at the end of 1935 and in 1936, many German Jews were still not hesitating to do business with Jews. Despite the party’s growing concern, the cattle trade in rural areas remained largely Jewish; according to a Gestapo report on the month of November 1935 “the Jews almost totally control the cattle trade [in Hesse]. They have transferred their activities to the late evening hours or to night time. Sometimes it even happens that Volksdeutsche put themselves at the Jews’ disposal as hidden representatives, i.e., under their own name but for the benefit of the Jews, and do business for them in the large markets of cattle for slaughter in Frankfurt, Wiesbaden, and Koblenz.”78

Almost one year later, a report from the Franconian district of Hipolstein sounded the alarm: “The peasants’ business relations with Jews have assumed such a dimension that the political leadership felt prompted to intervene energetically.”79

In the cities the annual late-winter sales at Jewish stores were big occasions. Thus in February 1936, the Munich police directorate reported that the sale at the Jewish-owned textile house Sally Eichengrün had drawn “large crowds.” At times as many as three hundred eager female customers stood in line on the street outside the store.80 And various SD reports indicate that even in 1937 economic relations between Germans and Jews still remained active in several domains, with, for example, members of the aristocracy, of the officer corps, and of the high bourgeoisie still keeping their assets in Jewish banks.81

It is difficult to assess what was paid—as an average percentage of value—to the tens of thousands of Jewish owners of small businesses during this early phase of Aryanization. As noted in chapter 1, recent research indicates that the considerable scope of Aryanization at the medium- and small-business level was not indicative of the situation at the higher levels of the economy. There the competition was more limited, and the attitude toward extortion still negative, because the enterprises involved had
higher international visibility. The Nazis decided, therefore, to avoid any head-on clash.19

Dozens of Jews remained on boards of directors and in other important managerial positions at companies such as Mannesmann, IG Farben, Gesellschaft für Elektrische Unternehmen, and so on. The Dresdner Bank, for instance, "still had 100 to 150 Jewish employees in Berlin in 1936, and five directors retained their posts until the period 1938 to 1940."20

When Aryanization did take place at the big-business level, there are indications in some very significant instances that fair prices were being offered to the owners until the end of 1937, when the situation was to change drastically. Self-interest was obviously part of the motivation for this kind of seeming restraint and fairness. The economic recovery remained uncertain. Some of the largest German firms, eager to avoid additional taxation of their new profits or to escape the effects of eventual devaluation, used the costly acquisition of tested yet depreciable enterprises to improve their accountable benefits. In any case, this is both the Nazi and the business press interpreted the acquisition by Henkel of the Jewish-owned Norddeutsche Hefindustrie above par, and a similar operation by Unilever's main German subsidiary.21 In general, however, the overall economic situation of the Jews in Germany was steadily worsening.

A remarkable contemporary summary appeared in December 1935 in the Austrian Reichspost: "The Jewish merchants in small- and medium-size [German] provincial towns have, for some time now, been fighting a difficult battle. In these towns, the weapon of the boycott can be utilized far better than in a place like Berlin, for example. The consequence is that there is now a massive sell-off of Jewish retail shops. . . . There are reports . . . from certain areas . . . that an average of 40 to 50 percent of all Jewish businesses have already been transferred to Aryan ownership. Along with this, there are many small towns in which the last residues of Jewish business activity have already been liquidated. This is also the reason for the fact that various small congregations are offering their synagogues for sale. Only recently, a farmer in Franconia was able to purchase such a building for the price of 700 marks—for the purpose of storing grain."22

In villages and small cities, harassment was often the easiest way to compel Jews to sell their businesses at a fraction of their value and move away or emigrate. In the larger cities and for larger businesses, credit restrictions and other boycott measures devised by Aryan firms led to the same result. Those Jews who clung to their economic activity were increasingly confined to the rapidly shrinking Jewish market. Excluded from their occupations, Jewish professionals became peddlers, either selling wares out of their homes or traveling from place to place—a reversal of the historic course of Jewish social mobility. Barkai has noted that, since peddling had to be registered, the state and party authorities were sometimes under the misapprehension that Jewish economic activity was growing. After the Nuremberg Laws forbade Jews to employ female Aryans under forty-five in their homes, young Jewish girls moved into the newly vacant positions, again reversing a trend that modern Jewish women had been supporting, and fighting for, for decades.23

This overall evolution is unquestionable; yet it demands to be nuanced if we are to rely on SD reports. Thus, the annual report for the year 1937 of the SD's Jewish section gives the impression that attitudes toward the Jews among some sectors of the population remained mixed, and were fed not only by economic but also by religious and possibly some political motives:

"The year covered by the report has shown that large parts of the population, and even of the Party community, do not bother anymore even about the most basic demand, namely not to buy from the Jew. This kind of sabotage is particularly strong in strictly Catholic areas and among the supporters of the Confessing Church, who partly from ideological motives—the solution of the Jewish question by way of baptism and the inclusion of the Jews in the Christian community—but also partly in order to strengthen the opposition to National Socialism, try to hamper the work of the Reich with regard to Jewry. The best proof of the success of this oppositional activity is the fact that, in contrast to other parts of the Reich, in mid and lower Franconia as well as in Swabia a move of the Jewish population is taking place from the cities to the rural areas, where along with the lower moral protection of the Church, are less directly affected by the measures taken by the Reich. A similar trend can be noticed in the Catholic areas of the Prussian province of Hesse-Nassaun and in Hesse."24

Although the SD report only described the situation in some areas, and although—since the contrary trend is generally documented—the movement of Jews from the cities to the countryside must have been very limited, anti-Semitism was apparently not becoming an active force within the overall population. The words "do not bother anymore" even indicate a growing indifference, on this subject, to party propaganda. Yet, as before,
during these two years some religious constraints and economic self-interest seem to have been the main motivations for such "lax" attitudes toward the Jews. But the forthcoming disappearance of almost all Jewish economic activity, coupled with more violent official pressure, would soon make themselves felt.

Once Hitler had taken concrete steps to launch the Reich on the course of a major military confrontation, the fate of the conservatives was sealed. At the end of 1937, Schacht would be on his way out, replaced by the Nazi Walther Funk. At the beginning of 1938, other conservative ministers, including Foreign Minister Neurath and Defense Minister Blomberg, would follow. At the same time, the army chief of staff, Gen. Werner von Fritsch, left in disgrace on trumped-up charges of homosexuality. Hitler himself became the commander of the armed forces, which henceforward were led de facto by a new Supreme Command of the Wehrmacht (Oberkommando der Wehrmacht, or OKW), under Gen. Wilhelm Keitel. The ever weaker and ever more ambiguous protection offered by the conservatives against radicalization of the regime's anti-Jewish policies had therewith disappeared.

In the directive establishing the Four-Year Plan, Hitler demanded passage of a law that "would make the whole of Jewry responsible for all damage some individual members of this gang of criminals caused the German economy and thereby the German people." In order to punish the Jews for Gustloff's death (Gustloff, it will be remembered, was the Nazi representative in Switzerland who was murdered by a Jewish student in early February 1936), the decree concerning the collective fine Hitler wanted to impose on the Jews of Germany was to be ready by the end of the assassin's trial in Switzerland. The deadline was missed because discussions between the Ministries of Finance and the Interior on technicalities regarding the fine continued throughout 1937 and the first half of 1938. But the postponement really resulted from Göring's hesitations about the potential effects of such a decree on the Reich's foreign currency and raw materials situation. It would be Göring, however, who finally announced the imposition of a collective fine on the Jews of Germany after the Kristallnacht pogrom that followed Ernst von Rath's assassination.

The waning of conservative influence, particularly with regard to the economic situation of the Jews, became palpable at various levels, as well as in the tone of the exchanges between party grandees and the Ministry of