
The German Reasons for Establishing a Bank in Ghetto Theresienstadt - Dr. Margalit Shlain

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- The Germans were interested to show Theresienstadt as a normal “civilian” city.
- The establishment of the Bank of the Jewish self-administration (Bank der juedischen Selbstverwaltung) on January 1, 1943, was meant to present the town with a regular appearance, whose inhabitants, even though they were imprisoned for the duration of the war, still enjoy full civil rights. On the face of it, money was deposited in the “personal account” of the “citizen” of Theresienstadt, though one could not draw money from the account.
- The bank was also intended to receive money transfers authorized by the SS, sent from outside to camp prisoners and remitted to the camp command post. The addressees had to confirm personally the receipt of the money although they did not get it in cash, since it was only credited to their savings account in the bank.

“The Banking System ”

On May 12, 1943, in the framework of a seeming civilianization of the town, the bank began its activities in the building of the former town hall of Theresienstadt. The ghetto prisoners got a “monthly payment” based on six wage grades, starting at the top with the Jewish Elder and ending with the oldest, non-working senior, who got a monthly support payment. All the payments were in “Theresienstadt Crowns” that were issued on May 12, 1943. The German authorities wanted to present a seemingly normal money economy.

The “banknotes” were Theresienstadt Crowns (Kronen), adorned on one side with the image of Moses looking like an Eastern European Jew carrying the stone tablets with the ten commandments; the other side bears two Stars of David and the signature of the Theresienstadt Jewish Elder Jacob Edelstein. The banknotes had practically no value.

53,000,000 banknotes were printed at the printer’s press of the Prague National Bank, numbered serially, with nominal values of 1, 2, 5, 10, 20 and 100 Theresienstadt Crowns.

On June 26, 1943, Dr. Desider Friedmann was nominated as director of the ghetto bank. He was chosen by the Germans because he was a trusted, noted Jewish personality from Vienna. For the same reasons they nominated Dr. Franz Weidmann from Prague as comptroller and adviser.

The management of the bank was actually in the hands of people with banking experience. They were headed by Dr. Stephan Popper, his deputy Dr. Ludwig Hueft, assisted by Karl Weigner, Dr. Ludwig Waller and others.



The Bureaucratic System of the Bank

The banking operation burdened the ghetto administration since it had to assign 60 officials to deal solely with banking activities.

The bank was obliged to deduct about half of the worker's wages deposited in the accounts for all living expenses. Half of the remainder was credited to the savings account of the ghetto "citizen", with no possibility of withdrawing any; the other half was paid to the worker in cash.

The bank had to deal with over 50,000 personal accounts, all of them "active", each needing monthly entries and the same number of saving books into which every month the sum "credited to the citizen" was entered.

At fixed times the prisoners presented their saving books to the Block Elder or to the wage units and these were transferred to the bank, accompanied by lists. The bank controlled the amounts that were later entered in the savings books and only then they could be distributed to the prisoner.

The monies paid out in cash were not entered in the bank accounts, only marked on the account card. The cash payments were from 50 to 250 Theresienstadt Crowns monthly. The credits in the blocked account were in standing order of 50 to 400 Crowns.

The old Jews from Germany, cheated by the Germans and made to acquire the rights for a "senior's home" in Theresienstadt in exchange for the remainder of their money, were made to sign "home buyers contracts", received as "compensation" for the "contracts" a monthly payment in the amount of 5 Reich Marks per person credited to them in "personal accounts" at the Theresienstadt Bank, but the money could not be used.

On the fourth of every month the monthly balance of the bank had to be presented to the Germans together with much statistical data; this was transferred to Prague and to Berlin. From time to time a Berlin auditor came to audit the organization and to check the correctness of the circulation of the notes and the sums paid out to the prisoners.

The “Ghetto Money” was used to buy items in “shops” and also as a means of payment in the café. But in the shops there were only inferior goods left from items confiscated from new arrivals in the ghetto, there were no takers; and in the café one could order just a dark beverage, called “coffee” or “tea”. Another use for the “money” was to pay for entrance tickets for cultural events in the ghetto and also for payment in the communal showers.

The ghetto “citizens” were requested “to handle the banknotes with care and to beware them from dirt and damage” and were warned not to take the money out of the ghetto – non-compliance with this regulation was punished severely.

Those leaving in transports were obliged to surrender all the banknotes in their possession to the bank, together with their savings book. But in many cases people preferred to give their money to relatives or friends remaining in the ghetto, this way the total amount per person grew to 700 Crowns.

The Bank in German Propaganda

The bank fulfilled an important role on all occasions of visits to the camp; it was meant to present the seemingly civilian life of the Jews to the visitor. Every tour of the ghetto began at the bank, the director of the bank had to give a speech dictated to him, on the importance of the bank for the economic life of the camp, the money circulation, its use and coverage by monies of the same monetary value deposited in the “Emigration Fund of Bohemia and Moravia” in Prague, which funded the maintenance of Theresienstadt.

All prisoners had to carry with them their savings books at all times to be able to give potential visitors from Berlin or an international delegation up-to-date information on their “savings.”

The bank’s activities were also filmed for the “documentary” on Theresienstadt. It showed “clients” at the bank’s counter, a clerk signing a savings book and a cashier counting banknotes and paying them out to the “client”, a “golden rain” of camp banknotes swirling in the air and more.

War's End – German Attempts to Erase the Past

Towards the end of the war the Germans destroyed the saving books and the bank records of those who were deported from the ghetto or died there, trying to erase the past. But the bank of the Jewish self-administration had a resurrection after the war.

The Surprising Finale of the Bank

After liberation of the ghetto on May 8, 1945, by the Red Army it was found that the "Emigration Fund of Bohemia and Moravia" in Prague held large amounts of confiscated Jewish property and there was nothing to prevent the realization of the financial coverage and to exchange the 20,000,000 Theresienstadt Crowns recorded in the blocked account of the bank into real Czechoslovak Crowns.

The Czechoslovak authorities agreed to pay, up to the liquidation of the bank in August 1945, to a few hundreds former Theresienstadt prisoners who had been sent to death camps and returned to Prague at the end of the war, most of the amount in the blocked account in their names. 10,000 Theresienstadt prisoners remaining in the camp received amounts of 1,000 to 5,000 Crowns; it helped them financially during the first epoch after liberation.