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NO. 1322.

AMERICAN CONSULATE GENERAL,  
Berlin, Germany, May 22, 1933.

SUBJECT: With further reference to the interference  
with the treaty rights of American firms  
in Germany.

THE HONORABLE

THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

I have the honor to refer to my strictly confidential despatches Nos. 1233 of April 11, 1243 of April 18, 1273 of May 2, 1296 of May 9 and 1301 of May 12 with reference to interference with the treaty rights of American firms in Germany and the steps which have been taken in their protection. In my despatch No. 1301 I was able to inform the Department that our efforts on behalf of American owned German firms in Germany had apparently been successful and that there was increasing concrete evidence that the German Government and the National Socialist Party would permit no interference with the rights of American owned German firms.

In addition to the detailed information transmitted in my despatch No. 1301 and in its enclosure, I now have to inform the Department that both the

Nationale

Nationale Radiator Gesellschaft and the National Cash Register Company have received from the headquarters of the National Socialist Party through the medium of the Kampfbund des gewerblichen Mittelstandes, a letter which gives them a clean bill of health as a "pure German firm". The Department is aware that the interference with the American owned German firms at no time came from the Government but was exercised through the National Socialist Party and through the medium of the unofficial organizations of which the principal one is the Kampfbund des gewerblichen Mittelstandes. There is transmitted herewith a copy with translation of the letter which the Kampfbund has given to the Nationale Radiator Gesellschaft as well as a copy with translation of a similar letter given to the National Cash Register Company, in which they are designated as "pure German firms". It is significant to note that these letters are signed by Dr. Sohns who is the same man who not long before had informed the Nationale Radiator Gesellschaft that in spite of their products being manufactured in a German factory with German raw materials by German workmen, they would be considered as "foreign" products as the capital of the company was American. Dr. Sohns and his superiors were informed by the heads of the Party that if the attitude of the Kampfbund would not be changed with respect to American owned German firms,

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the Kampfbund would be dissolved.

I am transmitting to the Department with this despatch these copies of letters from the Kampfbund, as they show that the promises of the Government and the Party are being translated into real action. Both these firms have been informed that they can have this letter circulated in Germany in any fac simile form they please in order that they may counteract through it any propaganda against their firms and their products. I believe that similar letters can be got by any of the many other American owned German firms in Germany who may need them. The one obstacle which some of the American owned German firms may meet is through their having Jews on their boards of directors or in an important capacity in the manufacturing plants.

In spite of the milder policy which the leaders of the Government and of the Party are following towards Jews, the attitude of the masses and of the intermediate leaders of the Party has not really changed. Wherever possible, Jews on the boards of directors of German firms and of foreign owned German firms, are being forced out. The foreign owned companies in Germany are resisting this movement as there is yet no law to the effect that Jews shall not sit in the boards of directors of business concerns. There is, however, an endeavor

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on the part of officers of the Government and of intermediate leaders of the Party to force the so-called "Beamtengesetz" on business concerns, in other words that the same principles which are laid down with regard to the presence of Jews in the Government and Government organizations shall be applied to business concerns. I doubt very much whether any Government pressure will finally be brought to bear on business firms to exclude Jews from the boards of directors although it is very likely that they will be entirely excluded or a very strict numerus clausus applied to all business concerns closely allied with the Government. It is believed, however, that it would be very unwise for American owned German firms to exclude all Jews from their boards of directors or from their factories simply because intermediate Party leaders or the Betriebszelle in the respective companies endeavor to bring about their elimination. It is believed that if American companies will show a certain resistance to this pressure, that it will gradually become less. This Consulate General is not giving any direct advice to American firms in this connection. It is, however, unofficially informing them that there is no law as yet on the subject and that it is believed that it would be unwise for them to submit to mere pressure from Party leaders and

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workmen's organizations in their own factories unless the company itself believes that there may be too many Jews in the board of directors.

I believe that those American owned German firms in Germany which do have Jews in their organization in some form or other, will also be able to get a clean bill of health from the Kampfbund such as the ones transmitted herewith.

It is with a good deal of gratification that the Consulate General is able to report such a satisfactory result of its activities on behalf of American owned German firms, and it believes that the major principles have now been established. It is not unlikely, however, and we have continued evidence of this still, that American firms will suffer with interference of various sorts from the Betriebszelle in their organizations and from various forms of disloyal and unfair competition. Incidents of this kind are receiving the Consulate's attention from day to day and are being worked out in the individual cases, so far with satisfaction. The higher authorities are now definitely against improper interference with American owned firms, and when cases of improper individual action can be brought to their attention, we find that it is possible to secure action. The Department will be kept informed of any further developments which may be of

interest.



interest.

Respectfully yours,

George S. Messersmith,  
American Consul General.

Enclosures:  
Copies of letters with  
translations.

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GSM:P

A true copy of  
the signed orig-  
inal. *Enus*