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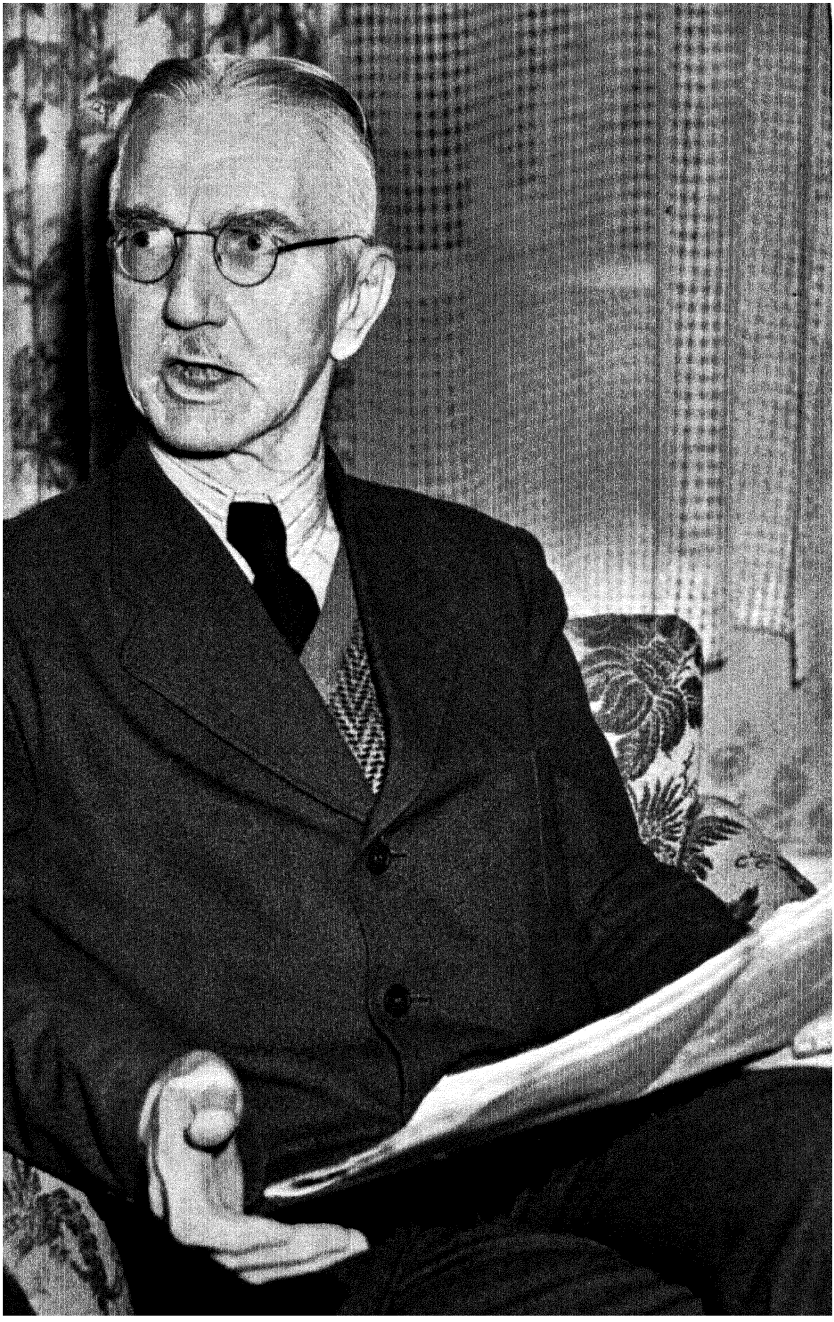

DR. HJALMAR SCHACHT

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Translated by Edward Fitzgerald

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Contents

FRONTISPIECE	*Dr. Schacht after his acquittal by the Nuremberg tribunal.*	
CHAPTER I	Impotent democracy	*page* 7
II	Hitler comes to power	39
III	Opposition from within	68
IV	Open resistance	96
V	The thwarted coup d'état	111
VI	Against the war	126
VII	In concentration camp and American imprisonment	156
VIII	The indictment	171
IX	The guilty man	200
X	The Nuremberg trial	224
XI	The resistance movement	242
XII	What Hitler left behind	267
XIII	The German problem	286
XIV	Re-inspiration	303
	Index	323

Chapter One

IMPOTENT DEMOCRACY

IT was in 1923 that I gave up my position as principal of the Darmstaedter und Nationalbank to take public office as Reich's Currency Controller. Colleagues reminded me that twelve years before I had expressed the wish to put my abilities at the service of the community. But I had stressed that I should not wish to do so before I was financially independent, for I never wanted to give up my freedom of thought and action. I did not want to be a dependent official but a creative collaborator.

Financial independence is a fundamental requisite for any prominent statesman. The power to deprive a man of his livelihood, or even only to put obstacles in the way of his career or source of income, was one of the most common forms of pressure applied by Hitler. Latent resistance to the Hitler regime lasted a long time amongst the officials of the old Civil Service of the Reich, but it was broken in the end by such means. It ceased almost altogether when judges and higher officials lost their traditional immunity from dismissal. A statesman whose livelihood is dependent on his salary inevitably finds himself involved in an internal conflict when he observes that his own material interests, and therefore those of his family, are threatened by the loss of his official position as soon as his opinions and convictions diverge from the official view. I was unwilling ever to expose myself to such an eventuality. My freedom of thought and conscience were never to be for hire.

It was a few years after the first world war, when Germany was at the peak of the inflation period, that the opportunity first arose for me to enter the service of the State. By the autumn of 1923 the unrestricted depreciation of the currency had reached such a pitch that it threatened to break up the whole structure of Germany's national life. Wage-earners' wives were in despair. Whenever they went out to buy food they were involved in a hopeless struggle against the depreciation of the mark. The wages of their menfolk ran through their fingers like water even when, as was finally the case, they were paid daily. In this extraordinarily difficult situation the authorities called upon me to put a stop to the depreciation of the mark and stabilise the currency. I did not turn a deaf ear to this appeal. I gave up a profitable career and a safe position, but my work was successful. I re-established Germany's currency. The German worker once again received a wage with a stable purchasing power. The threat to social stability was averted. For a while my name was in everyone's mouth, and the Democratic politicians thoroughly exploited my success to bolster up their own policy.

However, in the long run no one who has anything to do with money professionally can hope to remain popular. You will find names like Wrangel and Roon in any German history book, but you will usually look in vain for names like Georg von Siemens or David Hansemann*. And yet the work of von Siemens and Hansemann was no less important than that of Wrangel and Roon. Oddly enough, for the average citizen there is something very mysterious and incomprehensible about finance. The only thing about it which is quite clear to everyone is its importance. The obvious essential is that money should

* Leading German bankers and financiers of the middle nineties—*Trans.*

retain its purchasing power. Above all, it must allow people the chance to save, to put aside wealth for future use. It must therefore maintain its value in relation to all other commodities. The greater the number of people who, in the course of historical development, are excluded from the possession of landed property, the more important it is that the value of money should remain stable, because only then can they store up the product of their labours and preserve the property they have acquired. Money, in short, must retain its value; it must be sterling.

That money is sometimes cheap and sometimes dear; that it is worth more in our youth than in later years; that the relation between the value of money and the value of commodities changes constantly—these are problems which are difficult for the average man to understand, and he cannot protect himself without help against his ignorance. During the terrible period of inflation after the first world war the Reichsbank was overwhelmed with thousands of suggestions, plans and schemes for stabilising the currency. Engineers in particular were much to the fore. For some reason or other the arithmetical nature of finance seems to inspire the mathematically-minded, and their efforts always tend in the one direction, towards the creation of an automatically functioning solution operating according to fixed mathematical rules. But the currency problem is not a problem which can be solved according to fixed rules. If it were, then perhaps a capable professor of mathematics would be the best financier after all. Monetary policy is not an exact science but an art. As such it is a sphere which will always remain mysterious to the man who is not capable of mastering that art, while appearing simplicity itself to the man who is. The art of monetary policy consists in keeping the relationship

between the value of money and the value of the other commodities as steady as possible. Part of this art consists in constantly observing and correctly judging not only the movements of money but also the production and consumption of other commodities. Therefore it is essential that the financier should have a wide knowledge of national and international economic affairs. This is all the more necessary because economic conditions, costs of production, etc., are constantly being changed by technical inventions and new organisational measures.

The fact that I, of all people, who have always been regarded as a representative of the individualistic economic conception, should have been called in to assist a Social-Democratic Government, was entirely due to the broad-mindedness and enlightenment of Fritz Ebert, who was at that time Reich's President. When I reminded him before my appointment that I was not a Socialist, he replied with a smile: "That's quite beside the point. The question is: do you think you can solve the problem?" He was right: that was all that mattered. I replied in the affirmative, and I am happy to say that under Ebert's ægis the Social-Democratic Government of the day gave me a completely free hand to carry through my stabilisation policy. In later years, unfortunately, it seriously interfered with my plans.

German Social Democracy had enjoyed its heyday in the nineties under the leadership of Bebel, Wilhelm Liebknecht and Vollmar. It had won great victories in the political struggle. I believe that, on the whole, no other working class throughout the world succeeded in achieving such a high average standard of living as did the German. The Social-Democratic leaders who followed the great men of those earlier days were not of the same high

quality. Ebert was the only man amongst them who really had the calibre of a statesman. Those who occupied the leading positions around him were generally no more than capable trade-union secretaries—such personally estimable men as Otto Braun, Severing, Loebe, Hermann Mueller and others. The much-praised talent of the Germans for organisation, which was naturally shared by the Social Democratic Party, has one great disadvantage, a tendency towards excessive bureaucracy, a tendency which spells death to all initiative. The original drive and vigour of German Social Democracy was weakened by this flaw.

But everything depends on initiative, on the ability to seize an opportunity, on vigorous action. All those currency projects which embody new ideas and suggestions for establishing automatically functioning principles are fruitless. It is not a question of the percentage of gold or bills behind the notes in circulation, or of note control, or the discount rate, but simply and solely a matter of the temperature and the pulse of economic life. In monetary policy, just as in medical therapy, correct diagnosis is the secret of successful treatment. All that is required after that is vigour and determination in carrying out the recovery plan.

In the inflation of 1923 there were three main measures which were decisive to the stabilisation of the mark. They were the abolition of private paper currency; the diminution of the volume of legal means of payment; and the credit bar.

As the volume of bank-notes officially issued by the Reichsbank proved unable to keep pace with the rapid rate of currency depreciation, and a shortage of notes developed everywhere, both municipal administrations and large-scale industrial undertakings began to print

their own paper money, which nominally had the same value as the notes officially issued by the Reichsbank. Naturally, this unofficial paper money depreciated at the same rate as the official notes printed by the Reichsbank, and the printing of such paper money thus proved a very profitable business, since when it was issued its value was considerably higher than when it was later redeemed. This unofficial paper money was, of course, not legal tender, but if economic life was not to break down altogether then the banks, including the Reichsbank itself, had to accept it in just the same way as they accepted the official notes. Some firms ruthlessly exploited the situation by paying in the biggest possible sums of the money they had themselves printed to one branch of the Reichsbank whilst drawing out an equivalent sum at a neighbouring branch in official bank-notes, which were, of course, the only legal tender and could therefore be used abroad, or, at least, could be used abroad more readily than the unofficially printed paper money. Director Schlitter of the Deutsche Bank once gave me an illustration of the cynical callousness with which this private printing of paper money was carried on. Schlitter once went to a conference with old August Thyssen, the iron and steel magnate, who was as acquisitive as he was cunning. On the way Schlitter brought the conversation round to the question of this emergency currency and observed cautiously:

"Herr Thyssen, we have so much of your paper money in hand; what's really going to happen to it?"

At first Thyssen made no reply, but then after a while when they were both about to get out of the car, he said:

"That's an interesting point, Herr Schlitter: what is going to happen to it?"

My first measure as Reich's Currency Controller was

to issue instructions that no more of this emergency currency was to be accepted by the Reichsbank. This undermined the entire basis of the private issue of currency. Notes which the Reichsbank refused to accept were valueless. This first measure was quite sufficient to make me very unpopular both with the municipalities and with the large-scale industrial undertakings. For the latter the fact that the blow was delivered by a man whom they regarded as one of themselves, the Director of a big bank, added insult to injury. I was practically mobbed. They threatened me; they pleaded with me; they painted the probable consequences in the most violent colours. But I remained adamant. I was determined at all costs to put an end to the misery of the great masses of Germany's working people and to guarantee them a stable wage once more.

My second measure was directed against speculation in foreign exchange. On November 20th, 1923, the Reichsbank had let the exchange rate of the United States dollar climb to 4·2 billion marks with the firm intention of maintaining it at that level. However, private speculators continued to buy dollars at an even higher rate. The groups who indulged in this speculation did not believe that I would succeed in keeping the exchange rate at its official level, and so they merrily went on buying foreign exchange on a rising market, paying up to 12 billion dollars 'per Termin', which meant that at the end of the month the dollars had to be paid for with legal tender, that is to say, with Reichsbank notes. When settlement day came round at the end of the month the dollar purchasers needed marks from the Reichsbank to meet their commitments, but the Reichsbank refused to give them Reichsbank notes and handed out Rentenbank notes instead. This

Rentenbank had been established as an auxiliary institution to assist in the stabilisation of the mark, and the notes it issued did not have the character of official bank-notes. In short, they were not normal legal tender. But naturally, the foreign groups who had sold the dollars demanded payment in money which was legal tender, and the German dollar purchasers were now unable to comply. Nothing remained for them but to sell their stores of foreign currency to the Reichsbank which now secured dollars which had been bought speculatively for as much as 12 billion marks at the official rate of 4·2 billion marks. Speculators lost many millions on this unprofitable transaction. Naturally, my unpopularity was greatly increased, but the well-being of the great mass of the German people meant more to me than the troubles of individual speculators. The dollar rate of exchange, officially fixed by the Reichsbank at 4·2 billion marks, had to be maintained at all costs. I was not prepared to allow private speculation to drive it up again. It was, in fact, held.

The third of the decisive measures adopted to put an end to inflation came into operation at the beginning of April, 1924. Big business interests had once again used the excessive credits they had asked for and obtained to start hoarding foreign exchange. In order to make them realise once and for all that they must subordinate their operations to the monetary policy of the Reichsbank, I suddenly barred all further credit against bills. In normal times these bills were the usual means of obtaining credit from the Reichsbank. It was unprecedented that the Reichsbank should refuse to discount good commercial bills. When its credit was called on to an excessive degree, that is to say, when too many bills were presented, the Reichsbank would merely raise the discount rate, and continue to

raise it, until the deduction was more than the bill holders cared to pay and they preferred to do without the credit. However, in times of currency depreciation such as we had just experienced, this discount screw necessarily failed to operate effectively. It did not matter in the least whether the presenter of a bill had to pay 10 or 15 per cent discount when within a few weeks, or even within a few days, money itself would depreciate by 50 per cent and even more. This was the reason why I did not have recourse to the usual method of raising the discount rate, but adopted instead the harsh but only really effective means of blocking all credit. The measure was immediately successful. To the extent that business interests needed money they had to surrender their hoarded sums of foreign exchange to the Reichsbank, and within the space of two months equilibrium had been restored so successfully that throughout my whole subsequent period of office the mark remained stable. Big business interests had been brought to realise not only that the Reichsbank was stronger than they were, but that it was now determined to use its strength vigorously whenever necessary.

All in all, this struggle with the speculators over the rate of exchange lasted eight months. It was waged with vigour and determination, and private interests were ruthlessly ignored in the interests of the community as a whole. My victory did not make me popular with the private interests concerned, but it saved Germany from the toils of inflation. Even the experts did not always grasp my methods, which contradicted every classical theory, and the great mass of the people naturally failed to understand the significance of what was taking place. Even to-day I still receive letters blaming me for the currency depreciation which followed the first world war,

or abusing me for not having treated the old red-stamped thousand-mark notes better than the later green-stamped ones, and so on. It was in this period that the press first dubbed me a 'Financial Wizard', because in money matters in particular the simple and the natural is the most difficult for people to grasp.

As long as I remained President of the Reichsbank, whether under a democratic regime or under Hitler, Germany's currency remained stable no matter how great her economic difficulties. It is true that I had to resign on two occasions, but each time it was in face of a crisis which had not been brought about by me, but against which I had given repeated warnings, and which finally occurred solely because my monetary and finance policy was not carried out. The first crisis was due to excessive borrowings abroad by the democratic regime, and the second to excessive Government expenditure under Hitler. The indictment at the Nuremburg proceedings charged me with having resigned my position as President of the Reichsbank under Hitler in order to evade my responsibility. The reproach is perfectly justified, but ought not to be a reproach. A man can be responsible only for things which are within his control. That was not the case with me either in 1930 when I resigned, or in 1939 when I resigned again under Hitler. On each of those occasions official policy worked against me and against the currency. If I had consented to tolerate that I should have deserved reproach. As all my previous warnings had been ignored, nothing remained open to me but to emphasise them by my resignation. My opposition to the policy of the government was in vain; I had to give way to higher powers.

By the peace terms dictated at Versailles and by the

subsequent so-called Dawes Plan, Germany was burdened with an obligation to pay milliards of marks annually to her former enemies. These payments were to be made not in marks but in foreign exchange. However, the only way in which Germany could obtain foreign exchange was through her export trade. Now a very considerable portion of her export revenue was paid out again to obtain the foodstuffs and raw materials she needed. In view of the difficulties placed in the way of Germany's export trade by other countries export revenue was hardly sufficient to make the necessary purchases of foodstuffs and raw materials, and it was certainly not sufficient to pay the milliards required for reparations as well. The German democratic governments in the second half of the twenties thought they could gain time if they took up credits abroad to pay the milliards of marks required for reparations and essential imports of foodstuffs and raw materials, and therefore they had recourse to constant borrowings. Not only the individual *Laender* and municipalities, but also private firms were encouraged by the government to take up loans abroad. With these foreign loans, which were naturally made in foreign exchange, Germany's democratic governments paid the milliards of marks required annually for reparations account, and also for such imports as could not be paid for from export revenues.

In those years loans poured into Germany like a flood, and it was perhaps inevitable that they were not always used for purchasing only essential imports, and that in fact many non-essential things were imported. Now this operated against the over-riding necessity for economy which should still have been the chief principle of Germany's economic system and, in addition, the importation

of these non-essential goods unfavourably affected the interests of her own manufacturing industries. In the six years from 1924 to 1930 Germany borrowed as much from abroad as the United States had borrowed in the forty years before the first world war. If this foreign money had come into Germany in the form of long-term capital investments there would have been much less objection to the process. But in the form of credit, and particularly in the form of short-term credit, this indebtedness was a constant danger. Foreign exchange had now to be obtained not only to pay for essential imports of foodstuffs and raw materials and to pay reparations, but also to make interest and amortisation payments on these foreign loans and credits. Germany's export industries were unable to shoulder such a burden because they could not find adequate markets abroad.

From 1924 onwards I constantly opposed the taking of foreign credit and the acceptance of foreign loans, and I did so not only confidentially in my official relations with governmental circles, but also publicly. Of course, all the immediate beneficiaries of these loans, the industrialists, the municipal administrations, the *Laender* governments and the Reich's Government itself, were against me. Democratic governments were unable to make up their minds to give up this system of borrowing, because it brought temporary relief. They could not, or would not, see that in the end it must inevitably lead to financial collapse.

As late as May 27th, 1930, just a year before Germany broke down financially under the burden of her foreign indebtedness, Tarnow, the official spokesman of the parliamentary Social Democratic Party, declared: "Above all, the strangling of the municipalities in the matter of

foreign credits was a mistake." Later on the leader of the Centre (Catholic) Party, Bruening, adopted a more reasonable attitude. Addressing the Reichstag as Reich's Chancellor on October 13th, 1931, he declared that in previous years there had been an inflation of credit from abroad which had turned men's heads, thrown a smoke screen over everything, and led to a growth of public and private indebtedness which the German people must now reduce at all costs. Referring to something I had said two days before in a speech at the meeting of the so-called 'Harzburger Front', Bruening added: "One of the gentlemen who was in Harzburg has told us before that we have built up our economic system to a great extent on short-term borrowed money." Unfortunately this clarity of vision was given to the Centre Party too late. Just a year before this session of the Reichstag, Bruening had himself taken up an American loan of 125 million dollars, or 500 million Reich's marks, to be paid back in three annual instalments, although even then it was clear that this would be impossible.

As on many other occasions, I once again expressed my views before the Commission of Inquiry into the monetary and credit system appointed by the Reichstag in the autumn of 1926, when I made the following remarks concerning the question of foreign credits: "The primary result of the present great volume of foreign credit is a steady increase in the annual total of interest and amortisation payments which burdens our economic system; that is to say, our balance of payments, which looks extremely favourable at the moment owing to the great influx of foreign capital, must grow steadily worse throughout the coming years, when we shall be called upon to make interest and amortisation payments abroad. Economically

speaking the position is that the borrowers, whether they are individual industrialists, limited liability companies, municipalities, or even the Reich itself, have contracted debts abroad without being in a position to meet the annual payments in foreign exchange from their own resources, and in fact they have done so in the hope that at the crucial moment the German economic system as a whole will provide them with the foreign exchange necessary to make these interest and amortisation payments. This is a hope and an expectation which must, of course, prove completely illusory, for if we are not to-day in a position to provide the requisite foreign payments from our own economic resources in the form of foreign exchange obtained from our export surplus and our foreign earnings, then it is naturally quite out of the question that we shall be able to do so in the future."

Laymen are not always able to understand such complexities because they think: money is money. The reparation burden imposed on Germany seriously raised the so-called transfer problem for the first time in modern history: the problem, that is to say, of turning the money of one country into the money of another. The characteristic of foreign money is that it can only be spent abroad. With an American dollar you can buy things only in the United States and nowhere else. Of course, the layman will immediately retort that he can always find someone in Germany to take his dollar, and that is true, but he does not realise that in the last resort his dollar will be accepted only by people who have something to pay for in the United States. All the banks and agents who buy dollars in Germany are only middle men acting for those who receive dollars from the United States and those who need

dollars to pay for goods, or meet debts, in the United States.

I concluded my remarks before the Commission of Inquiry with the words: "In consequence, for the past two and a half years the Reichsbank has drawn the attention of business interests to the danger of unlimited foreign credits." In the years which followed I repeated this warning every few months, not only to the government but publicly. I pointed out again and again that a highly-developed industrial country with a powerful productive machine did not need foreign credits at all except to obtain such raw materials for its industries and such foodstuffs for its people as were not produced, or not produced in sufficient quantities, at home, and that these foreign credits must not exceed the sum of foreign exchange obtained by its export trade. Normally speaking, all highly-developed industrial countries provide money for the granting of credits abroad, and they do not take money on credit from abroad except for the limited purposes I have described. This form of foreign credit must always cancel itself out in short-term industrial export turnover.

Unfortunately my warnings were not heeded by Germany's business interests, her municipalities, or her government. The system of lavish borrowing was so convenient that I was roundly condemned for attempting to disturb it. And yet anyone could calculate with the greatest ease the moment when this foreign-loan system must break down. The borrowed money was used in part for reparations payments, and in part for the purchase of foreign goods. Germany's export revenues were not large enough to meet all her foreign commitments. The financial expert could therefore see the day coming with certainty when foreign

capitalists would finally realise the truth of the matter and the influx of foreign credit would cease. The German debtor, lacking sufficient commodity exports, would then begin to sell the German mark abroad in order to meet his foreign indebtedness. And that would inevitably lead to currency depreciation. The stability of the mark was once again at stake, and it was the German government which endangered it.

The dependence of Germany's currency on foreign countries and on the mistaken financial policy of her democratic governments made the question of foreign credits the centre of Reichsbank policy again and again and led to constant conflicts between the Reichsbank and the government. Finally, in the summer of 1929 the Reichsbank openly opposed a project for the floating of a Reich's loan through an American banking house. A few months later there was again an open conflict on the same matter and this, taken together with my objection to a falsification of the Young Plan which the Reich's Government had consented to, led me to tender my resignation.

In left-wing political circles my resistance to this tinkering with the Young Plan was looked on with a very jaundiced eye, and my resignation from the government of the day was condemned as a betrayal of democracy. It is therefore necessary to repeat the official declaration of the Reich's Government on the matter. On March 7th, 1930, the Reich's Finance Minister Moldenhauer declared in the Reichstag: "All negotiations with Schacht were conducted in a thoroughly friendly spirit, and I personally have never had any serious dispute with him . . . Dr. Schacht is taking this step because he no longer feels able to take responsibility for the Young Plan. No one can deny that in doing so he is causing the government a certain

embarrassment at the moment . . . I regret his resignation, but I recognise that he has chosen the path that a man in his situation had to choose."

Foreign credits contributed not a little to the growth of unemployment in Germany. As the money obtained by means of these loans could be used only for the purchase of foreign goods it meant that many home producers of such goods were put out of business. Germany's purchasing power was certainly increased for the time being by these loans, but only abroad, and not at home. The short-sightedness of such a policy was almost incredible.

For a long time, too, foreign countries failed to grasp the essentials of the situation. Without going any further into the matter they relied on Germany's sense of responsibility. Even at the so-called Young Conference in Paris in the summer of 1929 the general tendency was still to make Germany 'credit-worthy', and this, of course, though it made a continuation of reparations payments possible for a while, in the long run still further increased her burden. And even at the second conference at The Hague at the beginning of 1930 the proposed Young Loan was coupled with a railway and postal loan for the Reich, which meant a continuation of the foreign-loan system. In the meantime, however, both bankers and the general public had become distrustful, particularly as the main condition of the Young Plan—that it should be accepted or rejected as a whole and none of its parts rejected separately—was ignored by the Conference. The Young Loan turned out to be an unqualified financial failure for the bank consortium which floated it.

As the whole foreign-credit policy was outside my sphere of influence, and as all my attempts to persuade the government to abandon the policy of taking up foreign

loans proved unsuccessful, nothing remained for me to do but to resign my position as President of the Reichsbank. I had constantly warned both Germany and foreign countries, and I was now unwilling and unable to take any responsibility for measures over which I had no influence and which undermined the basis of my own currency policy. The same conflict between government policy and Reichsbank policy arose again in 1938 under Hitler and also led to my resignation. I resigned my position as President of the Reichsbank in March, 1930, and the expected financial collapse took place in the summer of 1931.

Even at that time I had not confined myself merely to seeking to influence my own government, but I had constantly sought to convince foreign governmental circles that it was impossible for Germany to pay reparations in foreign exchange. Now that I was free of all official restrictions I took up the struggle against the burden of reparations with redoubled zeal. In the years after my first resignation from the position of President of the Reichsbank up to the time when I again accepted the position I wrote many articles on the reparations problem and delivered numerous speeches and lectures, not only in Germany but in other countries, including Switzerland, Denmark, Sweden, Roumania, Italy, and the United States. In particular, in the autumn of 1930 I toured the United States and delivered fifty lectures in an endeavour to drive home the insolubility of the reparations problem. In consequence, in June, 1931, President Hoover succeeded in putting through a one-year moratorium for reparations payments, and this was followed in July, 1932, by the Lausanne Agreement, as a result of which reparations were practically abolished.

Later on Hitler tried to denigrate this Lausanne Agreement, but he made false statements and gave inaccurate figures. The Lausanne Agreement between Germany and the reparations powers provided for the complete abolition of all reparations obligations with the exception of a reserved sum of three milliard marks. When one considers that Germany's reparations obligations under the Versailles Treaty amounted to 120 milliard marks, and that even the Dawes and Young Plans provided for the payment of approximately two milliard marks annually for more than a generation, one can estimate the great progress represented by the Lausanne Agreement towards a solution of the reparations problem. Even the final sum of three milliard marks existed only on paper and there was no likelihood of its ever being translated into reality, since a condition of payment was that the international money market should be prepared to grant Germany a loan of the same amount. No one in Lausanne supposed that there would ever be any prospect of this. The agreement included the whole provision merely in order, as the Chinese say, to save the face of the reparations powers. Their representatives were unwilling to return home completely empty-handed. In any case, the fact which must be placed on record is that the reparations problem was settled before Hitler came to power. It was the first diplomatic success of a German government before Hitler, but it came too late. The writ for new Reichstag elections had already been issued and shortly after the signing of the Lausanne Agreement the General Election resulted in a decisive victory for Hitler, giving him 230 seats in the new Reichstag.

Just as the democratic governments showed no understanding for my struggle against the acceptance of foreign

loans, so they showed none for my struggle against reparations. Even during the Young Conference in the summer of 1929 the government repeatedly left me and my collaborators in the lurch. After I had signed the Young Plan the government knowingly and deliberately left me in complete ignorance of certain concessions which had been made to the former enemy powers contrary to the provisions of the Young Plan. When in New York in October, 1930, I announced for the first time that the continued payment of reparations would in all probability soon become impossible, the Reich's Government promptly issued a public disavowal. And when in March, 1931, a journalist in Stockholm asked me what I would do if I became Reich's Chancellor the next day and I answered that my first action would be to stop the payment of reparations, I was once again promptly and publicly rebuked by the German Government.

I quote only these few examples. They show that the democratic governments neither understood the situation nor had the courage and determination to act. In the meantime Germany's economic situation deteriorated rapidly. Within three months of my declaration in Stockholm, Hoover took the initiative and proclaimed a one-year reparations moratorium. Unemployment figures rose higher and higher and increasingly burdened the Reich's budget, whilst at the same time, in consequence of the decline of production, government revenue from taxation steadily decreased. Reich's Chancellor Bruening began to reduce government expenditure ruthlessly. Wages and salaries were cut. During the year 1932 the official unemployment figure topped the six million mark. In 1932 the average stock-exchange quotation for Reich and *Laender* loans sank to 63 per cent, and for municipal loans actually

as low as 51 per cent. Within the short space of five years world foreign trade suffered the same fate as Germany's foreign trade and declined to one-third of the record volume of 1929. After the financial collapse in the summer of 1931 Germany's currency had to be artificially maintained by means of a moratorium for foreign payments. In reality it had ceased to function internationally at all.

The fact that Germany's democratic governments had shown themselves completely helpless in face of this development, was the cause of Hitler's unparalleled electoral victory in July, 1932. Democratic governments had not succeeded in bringing about any economic recovery at home and they were unable to secure aid, or even encouragement, from abroad. The Hoover moratorium, which, incidentally, also came much too late, was merely the confirmation of an already existing fact. Is it therefore surprising that the German people sank deeper and deeper into despair ? In the end there were six and a half million unemployed. That meant that in the industrial districts every third, and often every second family, had no income and was dependent on State support. Material standards were depressed to a very low level, and spiritual apathy set in. Men and women lost their dignity as human beings and all confidence in themselves as individuals. A political movement which promised to show the way out of such a material and spiritual impasse was sure of a tremendous following. On the other hand, a Democracy which could offer no way out, despite the fact that it had full power, was committing political suicide.

The first indication of this became evident at the Reichstag elections in September 1930. The small parliamentary National Socialist Party in the Reichstag suddenly

jumped from 12 to 108 members. It may seem astonishing that it was National Socialism and not Communism which profited chiefly by the situation, but this was due to the basic sound common sense of the German people even in their direst need. It should be recalled that National Socialism first appeared on the political scene as a right-wing radical movement, and it was only many years later that the party betrayed its original programme. It was not so much that the electors unconsciously preferred the national standpoint to the international; they were primarily attracted by the support given to religion, the maintenance of property, the encouragement of private enterprise and the emphasis on personal values. Communism, on the other hand, wanted to remove religion from the sphere of government, and its general attitude towards personality, family and property ran counter to the natural feelings of the German people. When National Socialism announced: 'We take our stand on the basis of positive Christianity', that naturally sounded more attractive in the ears of the German people than the Communist slogan 'Religion is a private matter'. Karl Mueller hits the nail on the head in the introduction to his church history when he writes: "From the dawn of history religion has not been merely the private affair of the individual or the family, but the affair of the whole people and the State as well. The well-being of all classes of the community depends on the right religion, and thus the whole of life in all its stages, in all its regular phases and unusual occurrences, in all its joy and happiness, its sorrows and sufferings, is imbued with and enshrined in religious customs and usages. All culture, both material and spiritual, is indissolubly connected with religion." Hitler saw this more clearly than his Communist opponents, and

he used it to his own advantage. It was only much later that his attitude in this respect was seen to be equally fraudulent, but in the meantime he profited from the deception.

When I returned from my United States tour at the beginning of December, 1930, a friend of mine, the bank director, Herr von Stauss, invited me to come to his house to meet Goering, and I went. About four weeks later I also accepted an invitation from Goering to come to his house to meet Hitler, for I felt a very understandable desire to have a closer look at the man who had succeeded in creating such a striking political movement in so short a space of time.

At that time Goering was living in a moderate-sized flat in the Schoneberg quarter of Berlin, furnished in solid German middle-class fashion. Frau Goering, his first wife, who provided us with a simple evening meal, made a very good impression on me. Unfortunately she suffered from serious heart trouble. Hitler arrived only after the meal was over. Apart from myself and my wife there was only one other guest present, and that was Fritz Thyssen. The talk consisted of a two-hour speech by Hitler, but it contained nothing calculated to shock us. Everything he said revolved around the two points which were closest to the heart of all Germans, namely the recovery of political equality with foreign nations, and the problem of how to provide the six and a half million unemployed with work. The first problem could be solved only by building up a German army big enough to protect us from violent political invasions such as the occupation of the Ruhr, and to ward off new threats. For the moment a beginning could be made with the solution of the second problem only by government intervention, that is to say,

by building roads, erecting houses, reclaiming barren land and so on, as well as by the work involved in re-armament. It was a programme such as any political party in Germany might have adopted. Even Social Democracy had always been in favour of a defensive force. At the Nuremberg Trials the former Reich's Minister of the Interior, Carl Severing, had to admit that the disarmament clauses of the Versailles Treaty had first been violated as early on as 1933, and that with the approval of the Social Democratic Government of the day.

Hitler's whole speech showed that there was no question of any particularly new ideas or proposals, but merely of the will and the determination to act. His remarks contained nothing fundamentally new or revolutionary, but they did indicate the will to take action. Outwardly both Hitler and Goering were simple and restrained. There was nothing at all to indicate that one day Goering's ambition would run to entertaining scores of guests with the finest and choicest foods served up on golden dishes instead of giving them pea-soup on ordinary plates.

Nothing that I heard at this meeting remotely tempted me to join Hitler's party. Apart from the vigour of its propaganda there was nothing new in it, and that did not constitute a programme. Certainly, the effect of this propagandistic vigour on the great mass of the electorate was not to be under-estimated. An examination of Hitler's party programme showed that most of its demands could readily be accepted by any party. But cannot as much be said of most political programmes? All of them say they want the best for the greatest possible number. There was even a certain spiritual poverty visible in the National Socialist programme. For instance, economic problems were treated very sketchily. 'Public interest goes before

private interest', and 'The breaking of interest slavery', two simple slogans, almost exhausted the economic part of the programme. Neither was of any real significance but each had a tremendous emotional appeal. Anyone could attach what meaning he liked to them. Their attitude to the Jewish question was undoubtedly extravagant, but on the other hand the student of the party programme was soothed by the assurance that Jews were to be granted the same legal rights and guarantees as foreigners, and were to be allowed to go into business, practise as doctors, work as teachers, manage landed estate and so on. There was nothing in the programme, or in any other manifestos of the Party, to indicate that later on the Jews would be denied all such rights. On the contrary, such a violation of legal principles seemed to be in flagrant contradiction to the party programme. There was also no indication whatever in the programme of any extension of German rule to non-German territory. All that was mentioned was the question of Germany's colonies.

Hitler's book *Mein Kampf* was in a different category from the party programme. It was not an official party document but a militant propaganda piece. It was only after Hitler's accession to power that the book enjoyed such enormous sales, thanks largely to official encouragement. Prior to that, its circulation had not been very great. For popular mass propaganda the style of the book is much too ponderous, quite apart from the fact that one can only regard it as an assault on the German language. Hardly ten per cent of those who owned a copy of this book can even have read it, much less have understood it. However, the title of the book, its size and the comprehensive nature of its table of contents conveyed the

impression to the masses that here was a keen brain confronting and analysing major social and political problems and presenting well-founded conclusions. The ignorant and the uneducated were not in a position to recognize the semi-literacy of it all.

What remained with me as a permanent impression from the evening spent with Hitler, was some conception of the temperament of the man, and this enabled me to understand the growth of the National Socialist movement better than I could have done merely from the existing economic and political circumstances. This Hitler had an infectious élan and a vigorous determination which, if once it could be exercised from the seats of the mighty, would not waste much time with theoretical considerations, but would get down to practical action at once. Unless the democratic governments themselves took vigorous action, then Hitler's strength as an agitator was bound to tell.

The only action I took as a result of my meeting with Hitler was to go to Reich's Chancellor Bruening and give it as my opinion that as the National Socialists were already the second strongest party in the Reichstag, he should take them into the government and introduce them to the practical tasks and responsibilities of governing. From what Hitler had said at our meeting I had no doubt that at that time, the beginning of 1931, he would have been prepared to enter the government. But it was impossible to persuade Bruening to take action. It was a full year before he began to see reason, and then it was too late. By that time Hitler's following had grown so tremendously that he was no longer willing to play second fiddle. In Nuremberg the former Reich's Finance Minister von Krosigk gave evidence to the effect that in the spring of 1932 Bruening had observed that it was time

the National Socialists were introduced to the responsibilities of government; they could not be left in the opposition for ever. My suggestion along the same lines in March 1931 was turned down by Bruening. He was always too late.

Thus nothing remained for me to do but wait. I did not enter into any closer relations with Hitler or Goering. I remained aloof from the party, though from time to time I made the acquaintance of this or that party member. I never had a very high regard for party politics. Even as a young man, at the age of twenty-six and later, I repeatedly refused safe Reichstag seats, and when I helped to found the Democratic Party in 1919, I still refused a seat in parliament.

The economic situation of Germany had not been improved by the after effects of the financial collapse in the summer of 1931. Again and again, hopes of diplomatic success had to be postponed. Certain conservative circles exploited this situation to bring the Reich's Chancellor into discredit with the Reich's President, and at the end of May 1932, Bruening was forced to resign. During the financial crisis he had once again approached me for advice. It was the collapse of the policy of foreign borrowing, that I had foreseen and prophesied, which brought about the financial crisis. In the autumn of 1930 Bruening once again succeeded in obtaining a dollar loan of 125 million dollars, or 500 million marks, from the United States, and with this sum he hoped to be able to counter the effects of the great increase in the National Socialist poll. I was in the United States at the time and I heard there of the successful conclusion of the negotiations for the loan, of which I had been told nothing while I was in Germany. I found myself in the embarrassing

situation which confronts every man who opposes the policy of his own government and goes abroad: should I publicly declare my opposition to the action of my government or not? Where was the dividing line between a true concern for the well-being of my country and a form of high treason? It was a problem which later frequently troubled my allies in the resistance to Hitler. The leading spirit in the loan consortium, who was a personal friend of mine, naturally asked me whether I thought the loan was a wise and sound piece of business. All I could answer was: "As far as its soundness is concerned, I believe that one day you will see your money again, but perhaps the maturity dates will have to be altered. As for the wisdom of the matter, all political loans strike me as questionable."

That was the last foreign loan Germany received. Six months later the Oesterreichische Kreditanstalt in Vienna collapsed, and foreign creditors then realised that their German investments were in danger. Long-term loans could not, of course, be cancelled, but over and above these loans there were a great number of current short-term credits. Wherever possible notice was now given to end these credits, and when they fell due they were not renewed. German debtors thereupon approached the Reichsbank with big demands for foreign exchange in order to meet their obligations. They had plenty of German money at their disposal, so they were by no means bankrupt, but the Reichsbank now had to sacrifice its gold and foreign exchange. When I resigned my position as President of the Reichsbank in the spring of 1930 I left behind no less than three milliard marks in gold and foreign exchange. That was considerably more than the Reichsbank had ever held even before the first

world war. This fund was now tapped for their benefit and it began to melt away like snow in the sun.

The Governors of the Reichsbank, with Luther at their head, believed that the best way to stop a run on the Treasury was to pay out promptly, but they overlooked the fact that what might well be true of inland payments was not true of foreign payments. At home the bank-note presses could pile up an inexhaustible reserve to meet whatever payments might become necessary, but where foreign demands were concerned the Reichsbank had only a limited reserve of foreign exchange at its disposal, and, in addition, its size was publicly recorded every week in the official statement of the Reichsbank. In this way foreign creditors could readily follow the weekly diminution of Germany's foreign-exchange resources and calculate for themselves just how long it would be before they were exhausted. The result was a real run because all Germany's creditors were anxious to get their money back as quickly as possible before the reserves were exhausted. No one wanted to be too late and have to go away empty handed. Everyone raced like mad to get out of the trap before its jaws closed.

A statement of the Reich's Statistical Office shows the magnitude of the demands made by foreign creditors which the Reichsbank had to meet. For the end of September 1930, the statement gives a total short-term credit figure owed by Germany to foreign countries of between 10·8 and 11·8 milliard marks, of which 8·3 milliard marks were due from banks alone. Gold and foreign-exchange reserves totalling three milliard marks in the hands of the Reichsbank did not mean much compared with such an enormous volume of short-term indebtedness at a time of tottering confidence.

It would have been wise and just to do voluntarily and in good time what could easily be foreseen as inevitable, namely to stop all repayments. It would have been wise because to deprive the Reichsbank of all its gold and foreign exchange was a great threat to the currency, and it would have been just because as things stood creditors whose demands happened to mature earlier were unfairly favoured at the expense of those whose demands matured later. The devil, as the proverb says, takes the hindmost. At a conference which took place on June 3rd, 1931, at the Weisser Hirsch in Dresden I publicly suggested that this sort of thing should be prevented, but the Reichsbank ignored my advice.

The Darmstaedter und Nationalbank, the so-called Danatbank, was more heavily involved in this business than any other German bank, and as it had invested the proceeds in German assets which were not readily convertible, it not only lacked foreign exchange, but was unable even to raise sufficient German money to buy the foreign exchange it needed to meet its foreign liabilities. In the middle of July, 1931, it suspended payments. It was in this situation that I was summoned by Bruening. I took part in a stormy session under Bruening's chairmanship at which the representatives of the various Ministries engaged in confused and hopeless debates. In vain I strove to persuade them to accept my view that the Danatbank should be left to go into liquidation and that its big creditors should recoup themselves as far as they were able from its assets at the risk of receiving less than twenty shillings in the pound, whilst small depositors should have their claims met in full up to a maximum of approximately 10,000 marks each either by a bank consortium or by the State.

Whenever such cases arose, I have always maintained that a large-scale capitalist, and, in fact, any large-scale creditor, ought to know for himself how to invest his money, and where to invest it, and that he should therefore be left to take the consequences. Small creditors, on the other hand, are often ignorant and therefore their interests require special protection. Such cases should be judged less from a legal than from a social standpoint. I took the same attitude in 1924, after the inflation, when the question of revalorizing mortgage deeds and debentures was under discussion. I was opposed to a formalistic revalorization according to abstract principles, and in favour of giving priority to the claims of socially weaker elements. My social ideas were rejected then just as they were rejected once again in the case of the Danatbank, whose troubles were largely of its own making. At the expense of the community, big creditors received the same proportion as small creditors and a new leaden weight was added to the crushing burden Germany already had to carry.

This new experience naturally did not increase my willingness to co-operate in the carrying out of such a policy and I therefore refused Bruening's appeal to me to accept the Herculean task of cleaning up this Augean stable. I refused to change my mind even when Reich's President Hindenburg sent Meissner*, the Chief of his Presidial Chancellory, to try and persuade me. I pointed out that the Reichsbank was the appropriate body for carrying out such a task and that it would be wrong to

* 'Staatssekretar', Meissner's official German title, is not the equivalent of our 'Secretary of State'; it signifies rather the Head of a Department.—*Trans.*

create two overlapping authorities. My real reason was that I had no desire to carry out decisions which had been adopted against my advice.

Chapter Two

HITLER COMES TO POWER

THE so-called Presidial Cabinet which was formed by the new Reich's Chancellor von Papen on June 1st, 1932, could clearly only be transitional, for it lacked adequate support in the Reichstag. The General Election in the following month gave 40 per cent of the total poll to the National Socialist Party. That meant that they held more seats in the Reichstag than all the bourgeois parties put together. The prosecution in Nuremberg zealously did its best to discover which of the accused assisted Hitler to obtain power. The real answer is perfectly simple. The fourteen million voters who gave Hitler their suffrage in July, 1932, put him into the Reich's Chancellory, and no one else. Clearly, the natural consequence of such elections according to all the rules of parliamentary democracy could only be the formation of a new government by the National Socialist Party.

Prior to the July elections of 1932 I neither said nor wrote anything whatever in support of the National Socialist Party, although during this period I spoke publicly not only in Germany, but also abroad. I spoke for instance, at the conference at the Weisser Hirsch already mentioned, at the so-called Harzburger Front meeting and at a conference of the Lower-Saxony Economic Association in Hanover. My book *The End of Reparations* appeared in March 1931 and nothing in it supported Hitler or the National Socialist Party in any

way whatever. All the speeches I have mentioned were devoted exclusively to economic and financial affairs. They did not contain a syllable which might have been construed as support for any political party, though they were certainly directed against the feeble and unimaginative policy of the governments of the period. However, the elections of July, 1932, had clarified the political situation at home. The von Papen Cabinet was in a hopeless minority. The only alternatives were a military government, which could not have been installed without violating the constitution, and the Reich's Chancellorship for Hitler. In accordance with my fundamentally democratic outlook I declared myself opposed to the formation of a military government and in favour of the formation of a cabinet by the National Socialist Party.

Under the unhappy so-called Liberation Law, the question of who was responsible for Hitler's accession to power has assumed great importance. Formally speaking, the people responsible were the fourteen million Germans who voted for him on July 31st, 1932, and thus gave the National Socialist Party 230 seats in the Reichstag and made them far and away the strongest party in the House, stronger than all the bourgeois parties put together. In the whole history of the Reichstag it was an unparalleled event that a single party should poll almost 40 per cent of the total votes. In every normal democracy the leader of the biggest party in the House is the man who is called upon to take over the formation of the government. Any attempt to instal a military government against the will of 40 per cent of the electorate would have been the signal for civil war, particularly as such a government would also have been opposed on the Left by the eighty Communist members. On January 8th,

1932, the chief speaker at a demonstration of the Socialist "Iron Front" had declared: " If Hitler comes to power in Germany, illegally or—mark my words!—legally, that will mean civil war in Germany."

Thus the spirit on the Left was not less threatening than it was on the Right. Less than two years before, the Socialist Reich's Minister for the Interior, Carl Severing, had thought to master the situation with the help of the Reichswehr. Speaking in the debate on the Law for the Protection of the Republic in the Reichstag on March 13th, 1930, he recalled how the Kapp Putsch of 1921 had been defeated by the unanimous resistance of the working class and the civil service, and pointed out that at the time the constitutional government had had practically no other forces at its disposal. " To-day, however," he continued, " the government has a well-disciplined Reichswehr and the Security Police, forces quite capable of nipping any attack on the Reich's Constitution in the bud." However, writing in retrospect in 1947 about the year 1932, this same Severing tells a different story: " The Reichswehr was really too weak to take up an open struggle against the S.A. and S.S. with any hope of success."*

Thus in less than three years the situation had completely changed. The Reichswehr was too weak to defend the government; over half of all the members of the Reichstag were now bitterly hostile, whilst Social Democracy, Severing's own party, had already left the government of the centre in the lurch. Clearly, the important question arises: how did such a change in the feelings of the electorate come about and permit Hitler's rise to power?

* Severing, *Franz von Papen*, Freie Presse, Bielefeld.

From 1918 to 1931 the so-called democratic parties, Social Democracy, the Democratic Party, the Centre Party and the small splinter parties, had a majority in every Reichstag. Before Bruening became Reich's Chancellor they dominated every government. They were in a position to take any measures whatever, without let or hindrance, to improve the economic social and national situation. Foreign policy was no greater stumbling-block for them than it subsequently was for Hitler. But what they left behind them in the year 1931 was the collapse of Germany's currency in the sphere of international payments and six and a half million unemployed. They had not even attempted to master the situation. They had not shown sufficient courage to oppose the Versailles powers, nor had they produced any constructive ideas to alleviate Germany's economic distress. The result of the so-called democratic party rule was catastrophic: the currency out of commission, foreign-exchange transactions under strict control, excessive taxation, radical cuts in wages and salaries, an unfavourable balance of foreign trade, inadequate imports of foodstuffs and raw materials, and six and a half million workers unemployed. That was the upshot of democratic rule.

Severe economic distress in Germany greatly favoured the National Socialist movement. So long as the artificial boom brought about with borrowed foreign money lasted, Hitler's party was confined to a very small circle of supporters. That is the best proof that the principles and outlook of National Socialism made no appeal whatever to the German people. But from 1929 onwards, economic and social distress drove masses of people into the arms of Hitler, because he promised them work and bread. It was not Hitler's capacity, which had yet to be proved,

which caused the number of National Socialist members in the Reichstag to increase from 12 to 108 in the elections of September 1930, but the incapacity of the previous rulers of Germany. It was an electoral landslide.

Bruening, who certainly wrestled honestly with his problems but was never able to summon up sufficient energy to act firmly, did not succeed in improving the economic situation. On the contrary, it was during his Reich's Chancellorship, in the summer of 1931, that the financial collapse took place. The national income, foreign trade and the quotations of Reich's loans, etc., fell to an unprecedentally low level. The interim Cabinets of von Schleicher and von Papen could only make sense as attempts to find the safest transition from the political situation created by the elections of July 31st, 1932, to a Hitler government. And thus the period from August, 1932 to January, 1933, was occupied with attempts to secure the formation of a Right-wing coalition in preference to a purely National-Socialist Cabinet. The Centre Party did not hold itself aloof. Although in April, 1932, the Bavarian People's Party, which represented the Centre Party in Bavaria, demanded in the Diet that National Socialist machinations against the State should cease, four months later a joint declaration of the Centre Party and the National Socialist Party was published announcing that the negotiations proceeding between the two were to be continued in order to bring about the pacification and consolidation of Germany's domestic political affairs for a long period. In the course of the following months, however, still closer relations were established between Hugenberg, the leader of the German National People's Party, and Hitler, and the Centre Party was pushed to one side. By the end of January,

1933, the Coalition Cabinet of the two Right-wing parties was complete.

I had no part whatever in the negotiations which led to the formation of the Cabinet of January 30th, 1933. This Cabinet was put forward as a coalition of the National Socialists on the one hand, and what was temporarily referred to as the Black, White, Red Block, that is to say, the supporters of the Stahlhelm, Hugenberg and von Papen, on the other. The Reich's President, von Hindenburg, had reserved the right to appoint the Ministers of War and Foreign Affairs. He appointed von Blomberg and von Neurath respectively, neither of whom were National Socialists. For the time being only three members of the National Socialist Party were made members of the Cabinet, and they were Hitler, Goering and Frick. All the other members of the Cabinet were either closely associated with Hugenberg or came from Catholic circles. In Nuremberg, and particularly during the many proceedings before the denazification Courts, the prosecution repeatedly declared that the appointment of Hitler as Reich's Chancellor was equivalent to the establishment of a dictatorship. Quite apart from the fact that such a charge must be directed primarily against von Hindenburg, who, in fact, opposed the appointment of the 'Bohemian Corporal' as Reich's Chancellor longer than anyone, the evidence of those who were most nearly concerned shows clearly what pains were taken to circumvent National-Socialist predominance in the Cabinet and to prevent any dictatorship. In the proceedings against me before one of these denazification Courts, Meissner, the Chief of the Presidial Chancellory, gave the following evidence:

"This government was a constitutional coalition

government of the parliamentary Right wing in which, although Hitler had the leadership, the 'bourgeois', that is to say, the non-Nazi Ministers, had a big majority. At the time the formation of this Cabinet was regarded by everyone connected with it as the one and only possibility of securing a constitutional solution. There was no desire on the part of those who helped to form it to turn this Cabinet into a totalitarian regiment of the National Socialist Party, or into a personal dictatorship of Hitler.

"At the time this Coalition Cabinet was formed there was certainly talk of new Reichstag elections as an appeal to the people, and of special powers to be embodied in an Enabling Bill along the lines of the plenary powers granted by the Reichstag in the autumn of 1923 to the Reich's Government of the day in order to enable it to deal with currency inflation. There was, however, no question of any unlimited and far-reaching Enabling Law such as was subsequently actually passed by the Reichstag, or of any demand for the dissolution of political parties, apart from the Communist Party.

"The anxiety that a government led by Hitler might develop into a party dictatorship most certainly influenced the negotiations which led to the Coalition, but the bourgeois parties which took part in the formation of this government, the Reich's President himself and, still further, the representatives of the middle parties, seemed to have created sufficient guarantees against any such development. These were the Reichstag and the parties, the constitutional rights of the Reich's President, and in particular his supreme command of the Reichswehr, and the predominance of bourgeois Ministers in the Coalition Cabinet. During the negotiations Hitler had expressly

guaranteed the constitutional rights of the Reich's President, the maintenance of the Reichstag, and the inviolability of the Reichswehr, and at the same time he had also given a sort of guarantee to maintain the existence and composition of the Coalition Cabinet. It could not be foreseen that political developments would later take a different direction and such developments were not inevitable. That this change did come about was in my opinion, due—amongst other things—to the fact that the Enabling Law was made too thorough, to the weakening of resistance by the parties, the Reichstag and the Diets, and to the voluntary dissolution of the parties."

So much for the evidence of von Hindenburg's closest collaborator at the time, the man, who, in particular, had conducted the correspondence with Hitler in the name of the Reich's President. There is an interesting passage in a letter written by Hitler to von Papen and dated November 16th, 1932: "How easily discussions by word of mouth lead to misunderstanding can be seen from the statement you have since made on a number of occasions to the effect that I demanded full power at the time, whereas in reality all I demanded was the leadership." All these statements prove that the negotiators were well aware of the danger of a dictatorship and that they did everything possible to obviate it even at this late stage by means of a coalition government. One of the charges made against me at Nuremberg was that I had acted as a collector of funds for Hitler's campaign for the Reichstag elections of March 5th, 1933. I did, in fact, undertake to administer an election fund which had been subscribed to by industrialist circles, but the evidence given at Nuremberg showed clearly that the money was divided

amongst three parties and that the fund thus served a coalition.

All the announcements and all the actions of the new government in the first few months of its existence showed clearly that it never considered itself a National-Socialist government, but a National Government. The reference was always to the National Block, the National Front and the National Revolution, and never to National Socialism. In his speech to the Reichstag on March 23rd, 1933, Hitler himself declared: "It is the honest desire of the National Government . . ."

It was only with the Enabling Law of March 23rd, 1933, that Hitler secured the basis on which he was able to establish his totalitarian power and the exclusive rule of the National Socialist Party. In view of the numerical strength of that party in the Reichstag (after the cessation of Communist mandates it commanded a clear majority of the votes in the house), an Enabling Law was not necessary at all. Why the democratic parties, with the exception of Social Democracy, nevertheless voted for the Enabling Bill and thereby secured its passage (that type of Bill constitutionally required a two-thirds majority) will probably always remain a mystery. Neither at the time nor later was any objective explanation offered. If Hitler had been left to govern without an Enabling Law, then constitutional liberties, which could not be suspended without a two-thirds majority, would have continued to exist. Instead of that, however, voluntarily and without any pressing necessity, the democratic parties surrendered all parliamentary influence, abandoned all constitutional liberties and even surrendered the right to criticise. That was an act of political self-castration to which the history of modern democracy can show no parallel. If anyone wishes

to discover who was guilty of presenting Hitler with totalitarian authority and providing him with the formal legal basis for his subsequent regime of tyranny, then the culprits are to be found in the persons of those bourgeois democratic members of the Reichstag, from Hugenberg's followers to the Democratic State Party, who voted in favour of the Enabling Bill on March 23rd, 1933.

At the same time it must be pointed out expressly that those who voted in favour of the Enabling Bill were fully conscious of the dangers involved. Dr. Maier, who spoke on behalf of the Democratic State Party, and who became Premier of Wurtemberg-Baden at the end of the war, made this perfectly clear in his speech to the Reichstag on March 23rd, 1933: "We deplore the absence in the Bill which is now before this House of any express guarantees that the fundamental constitutional rights of the people and the principles of civil law will be preserved against encroachment." Nevertheless Dr. Maier, and others who expressed similar misgivings, voted in favour of a Bill which abolished the governmental responsibility towards parliament to an unprecedented extent.

In the subsequent developments, the German National People's Party vainly tried to release itself from the fatal embrace of the National Socialist Party. A declaration made by Hugenberg on April 11th, 1933 is typical: "Despite the burden of work which now rests on me I have not resigned the leadership of the German National People's Party. First of all I require the German National People's Party as the organized bulwark of the ideas which I represent within the framework of the National Government. On the other hand, I am, and will remain, responsible for ensuring that the German National People's Party continues to be a loyal and active member of the

National and Social Block which we formed on January 30th." A few weeks later Hitler throttled this 'active member' too.

I had no part whatever in bringing the Enabling Law into being. Further, I had no opportunity of exercising any influence on developments, for I was not a member of the Cabinet or even of the Reichstag. I was a mere witness from the gallery of the hasty passage of the Bill, and I witnessed it with dismay. At that time I was again President of the Reichsbank, having been appointed by the Reich's President at Hitler's suggestion, a week before. A previous discussion with Hitler had revealed agreement concerning the granting of liberal credits by the Reichsbank for a big programme of public works. This was a task that appealed to me more than any other. To give six and a half million unemployed wages and bread again, to restore some real significance to their lives—that was a task worthy of the biggest efforts. It was a task which had faced every preceding German government and, one and all, they had failed to solve it. This time I was determined that there should be no failure.

The first step in the Public Works Scheme was the so-called repair and maintenance programme drafted by Staatssekretar Reinhardt of the Finance Ministry. It consisted chiefly of repairs to housing and machinery. After a while came the building of motor roads and rearmament. By including rearmament two birds were killed with one stone. In the debate on the Enabling Bill all parties, including Social Democracy, had prefaced their observations by declaring their support of the national programme of the government. For instance, on March 23rd, 1933, Wels, Social Democracy's mouthpiece, declared: "We Social Democrats vote all the more decidedly in

favour of the demand for German equality abroad which the Reich's Chancellor has put forward, because on general principles we ourselves have put it forward so often in the past." And Dr. Maier, the speaker for the Democratic State Party, declared: "We hope that under its present leadership the German people, after fourteen years of self-sacrifice, may finally bring its struggle for freedom and the strengthening of the German nation to a successful conclusion."

When the attempt to establish this international equality again failed owing to the rejection of general disarmament by other countries in the autumn of 1933, equality could be won only by Germany's rearmament, and on this point all parties were in agreement. The fact that Germany would re-arm, and her right to re-arm if other powers did not dis-arm, was announced by numerous statesmen of various nationalities long before 1933. The indictment at Nuremberg also recognized Germany's right to re-arm in so far as her armaments did not serve the purposes of aggressive war. At that time there was no question of anything of the sort. All the democratic parties had always been in favour of the maintenance of armed forces for defensive purposes. When Hitler put forward the alternatives of general disarmament or German rearmament in the speech on foreign affairs he delivered in the Reichstag on May 17th, 1933, the Reichstag unanimously voted him its confidence, including the Social Democrats. And this happened after the trade unions had been dissolved on May 2nd and after the party funds of Social Democracy had been confiscated on May 10th. One must keep such facts in mind when twelve years later one hears the former Social-Democratic Reich's Minister of the Interior, Severing, declaring at the Nuremberg trial that on

January 30th, 1933, it was already quite clear to him that Hitler's rule meant war.

My main task was to provide the necessary finance for the public works programme. It was of course quite clear to me that milliards of marks would be required. In view of the depleted state of the nation's finances and its low level of production there was no prospect of obtaining the money by taxation or loans. And lack of confidence was almost greater than lack of money. In its special charges against me the Nuremberg indictment records accurately: "At the beginning of 1933 Germany had literally touched bottom; her taxation revenue was diminishing and obviously she was not in a position to float either domestic or foreign loans." The result of the economic and financial policies of the previous democratic governments could hardly have been described more strikingly. The only obvious source of money that remained was the note bank. But to obtain the sums required merely by increasing the issue of paper money would have meant inflation pure and simple, and the already existing spiritual depression amongst the German people would have been aggravated by the fear that the purchasing power of money would once again deteriorate. Obviously, something else had to be done. I invented the system of 'Mefo' Bills to meet the situation.

These Mefo Bills played a great role in the Nuremberg proceedings, although they had little to do with the actual indictment. They were supposed to prove the alleged initial secrecy of Germany's rearmament. But the evidence given showed that Germany's rearmament had never been secret, and that from the beginning these Mefo Bills had been known, as was only natural, to all banking houses and army contractors throughout the Reich. Interest at

Nuremberg was centred in particular on the unusual and ingenious nature of the Mefo Bill, which succeeded in providing money without in the least endangering the currency.

At my trial before the de-Nazification Court—the Stuttgart burlesque, so to speak, after the Nuremberg tragedy—an attempt was made to condemn the Mefo Bills on the grounds that they violated the Reich's Banking Law. But if in fact the Mefo Bills had not been consistent with existing banking law it would have been an easy matter to change the law. Under the Enabling Law one flourish of the pen would have been sufficient. However, careful legal investigation revealed that the Mefo Bill system did not violate banking law. The interpretation of its text has always had to be carried out according to the exigencies and requirements of the country's economic life at any given moment.

The Mefo Bills were drawn chiefly by army contractors on the 'Metallforschung G.m.b.H.' (hence Me-Fo), a concern with very little capital, but whose acceptance was guaranteed to the Reichsbank by the Reich. These bills were valid for three months, but with provision for prolongation over a total period of five years. The Reichsbank undertook to discount these bills as soon as they were presented after three months from the day they were drawn up. If the drawer needed cash at a still earlier date then he had to sell the bill to a bank or to some other interested party. Naturally, the banks very gladly accepted these bills because, thanks to the discount undertaking of the Reichsbank, they could be turned into cash at any time.

As a result Mefo Bills often took the place of cash assets, and in this way sums which would otherwise have

been lying idle in the business world were made available for the Public Works Scheme. And in this lay the security against a harmful inflation of bank-note circulation. On the other hand, it also represented the limit to which Mefo Bills could be drawn. They had to be kept within the limit of what the money market could provide in the way of short-term cash. In fact, right into the year 1938, when the Mefo-bill total rose to its peak of twelve milliard marks, it was a rare thing for as many as half of the bills to come into the hands of the Reichsbank at one time. They took the place formerly occupied by commercial bills, for, in view of the previous economic recession, credit requirements from the Reichsbank in the ordinary way of business had greatly decreased. Up to approximately the middle of 1938 the other half of the total of Mefo Bills in circulation could always be safely accommodated on the short-term money market. It was only afterwards that difficulties arose as a result of Hitler's reckless expenditure.

Naturally, the Board of Governors of the Reichsbank was well aware that Mefo Bills were not 'sound commercial bills' in the literal meaning of banking law, but times were not normal. Commerce and industry were hopelessly at a standstill. The backing of 'sound commercial bills', which, according to the text of the Banking Act, was to represent coverage for the bank-note circulation together with gold, which had been absent for some considerable time, threatened to shrink still further unless something was done to improve the economic situation. If it did, it would mean a reduction in bank-note circulation and thus a further deterioration in the economic situation. But the object of the Mefo Bills was precisely to mitigate the existing economic distress and put com-

merce and industry on the upgrade again. To have allowed formalities to inhibit action in the face of six and a half million unemployed and a terrible state of economic depression would have been a political and economic crime. In any case, the Mefo Bills were commodity bills, for they were drawn up for commodity supplies.

The Reichsbank Board of Governors unanimously decided in favour of a liberal interpretation of the formal possibilities. The introduction of the Mefo-bill system was, of course, not my affair alone, and the agreement of the Board was necessary before it could be put into operation. I had refused to allow the National Socialist leadership principle to be introduced into the Reichsbank and I had retained the old collegial form of a jointly responsible Board, whose President had only one vote like all the other Governors. It was only after my resignation in January, 1939, that the Reichsbank was also subjected to the *Führerprinzip* and placed under the sole control of its President, who, however, was himself under the orders of the Führer himself. The Reichsbank is the only example of a top-ranking Reich's authority in which the so-called leadership principle did not operate before the year 1939.

There was a special reason for my preference for the bill form rather than an open book credit. I reckoned that the special severity of the law with regard to the signing of bills would make the Reich realize the serious nature of its undertaking to pay out in good time. Proceedings on the part of the Reichsbank against the Mefo G.m.b.H. on a dishonoured bill, with the possibility that even then the bill would not be honoured, would have placed the Reich in an intolerable position. Accordingly the Reich, having guaranteed the Mefo signature, would be com-

pelled to make arrangements for the payment of the bills. Only if the budgetary situation worsened or, at least, did not improve, would the Mefo Bills have become a problem for the Reichsbank as well. On the other hand, if the economic improvement which I envisaged as a result of the Public Works Scheme came about, then government tax revenues must increase and the budget would be in a position to carry the burden of repayments.

I had spread this improvement plan over a period of five years, and that was why the Mefo Bills were all drawn with provision for prolongation up to a five-year limit. At the same time this operated automatically as a brake on excessive armaments. After a period of five years the Reich would have to begin honouring the Mefo Bills, and the requisite sums would have to be provided for in the budget, and thus they would not be available for expenditure elsewhere, for example on armaments. The importance of these arrangements became evident a few years later when I gradually realized that Hitler intended to carry the process of rearmament beyond its ordinary peace-time level. My arrangements would have frustrated his plans but for the fact that in January, 1939, he got rid of me, threw my finance policy overboard and compelled the Reichsbank to provide him with whatever credit he desired. The bank-note press began to speed up its work.

As long as I remained in office, whether at the Reichsbank or at the Ministry of Economics, Hitler never interfered with my work. He never attempted to give me any instructions, but let me carry out my own ideas in my own way and without criticism. He knew nothing about economics, and the monetary system in particular was a closed book to him. For this reason he obviously never dared interfere openly with my policy. However, when

he realized that the moderation of my financial policy was a stumbling block to his reckless plans he began, with Goering's connivance, to go behind my back and counter my arrangements.

For me the spring and summer months of 1933 were filled with preparations for the London Economic Conference, and necessitated a journey to Washington. It was there that I took the first and absolutely essential steps to reduce the burden of foreign indebtedness which weighed so heavily on the German people as a heritage from their democratic governments. Although reparations payments had ceased, Germany still had to provide interest and amortisation payments on her foreign loans, and it was quite beyond her capacity to provide sufficient foreign exchange for the purpose. By then it had already become quite clear that before long the interest payments would have to be reduced or stopped altogether. The object of the decree promulgated on June 9th, 1933, was to prepare for this eventuality in the light of existing circumstances. This decree established a Conversion Clearing House, to which all interest and amortisation payments had to be made, and also all payments of rents and similar payments arising out of any foreign obligations undertaken by Germany before the Bruening financial crisis of July, 1931.

As I have already pointed out, when the financial crisis broke out in the early summer of 1931, the Reichsbank omitted to make arrangements for a uniform regulation of Germany's foreign indebtedness. It continued to pay out from its current gold and foreign exchange reserves until their exhaustion could be foreseen. Thus those credits which fell due earlier were met, whilst those which matured only later were held up and fell under the moratorium. Those people who had shown the largest

measure of confidence in Germany were precisely those who were hardest hit. I was now anxious to avoid any repetition of such an injustice. If a reduction in interest payments became inevitable then it was to affect all those interested simultaneously and equally.

Many foreigners who have lost money as a result of Germany's inability to pay have blamed my handling of Germany's foreign indebtedness. But it is not difficult to answer their reproaches on this score. From the year 1924 onwards I uttered a series of warnings in speech and writing against the granting of excessive credits to Germany, and at the same time I did everything I could to limit them. In consequence I earned not only the dislike of foreign issuing houses, but also the bitter hostility of the short-sighted German beneficiaries of such credits. This tension led in the end to my break with the democratic governments. Further, I never ceased to point out that the payment of reparations from Germany's resources was impossible, and that foreign loans would not be used for German reconstruction but largely to meet Germany's reparations obligations; thus private capital investors were merely meeting Germany's political obligations by turning them into private obligations, and sooner or later amortisation, and even interest payments, on such uneconomic credits must inevitably come to a sudden and premature end. No one took any notice of these grave warnings from the German Reichsbank and its President. When, subsequently, Germany's inability to pay, which I had constantly prophesied, was made clear and I was given the thankless task of making a tolerable settlement, I tackled it with every means at my disposal and in close co-operation with Germany's foreign creditors. They certainly did not lose their money through

any fault of mine, but because they had ignored my warnings and overestimated Germany's ability to secure foreign exchange,—and probably in some part also because of their own thoughtlessness, irresponsibility and covetousness.

From the very beginning and during the whole further development of the foreign indebtedness problem I always kept in touch with the representatives of our foreign creditors. Speaking at a session of the Board of Governors of the Reichsbank on December 18th, 1933, I declared: "Before the Decree of June 9th, 1933, was issued the Reichsbank got into touch with the representatives of foreign creditors in order to discuss the situation with them. Naturally, no joint arrangements could be come to because the representatives of long-term creditors had no authority to make any agreements which would have been binding on their principals. For better or for worse, the Reichsbank had therefore to take sole responsibility for a transfer settlement. Even now nothing has happened to alter the legal position, but nevertheless I should like to take this opportunity of thanking the representatives of our foreign creditors for once again giving us an opportunity to hear their views." In the years that followed I always maintained this type of personal contact.

After the transfer of foreign exchange had proved impossible I made arrangements for foreign accounts in Germany to be collected in German currency. No single German debtor was released from his obligations, and they all had to pay the sums for which they were indebted into the Conversion Clearing House when they fell due. These sums were then held at the disposal of the creditors for use at any time. The only stipulation was that these sums could not be used outside Germany. If I had allowed

these mark sums to be sold at will abroad the result would have been a collapse of Germany's currency.

Instead of that I sought means of giving foreign creditors some chance of putting their marks to good use inside Germany. That was the reason why a variety of mark accounts were established. There were Reise marks, Sperr marks, Register marks, Aski marks (special foreign accounts for inland payments), and so on. Each of these mark categories empowered holders to use their marks for some special purpose. In this way a considerable part of Germany's foreign indebtedness was met, and her foreign creditors were able to use their credits without suffering any very great losses.

Whilst I was kept busy with the financing of the Public Works Scheme, the preparatory work for the World Economic Conference, and the problem of Germany's foreign indebtedness, domestic political developments took place which filled me with misgivings. Not only had the Reichstag agreed to its own complete exclusion from the work of legislation, but now the political parties abandoned all right to represent the interests behind them. Dr. Kubuschok, counsel for the Reich's Government at the Nuremberg proceedings, described these developments as follows: "The old political parties go into voluntary dissolution. Not only that, but they give Hitler an assurance that their former members will loyally co-operate in the National Socialist State, and they appeal to them to do so. The Bavarian People's Party leaves the way clear for every one of its former members to co-operate in the building up of the new Germany under the direct leadership of Adolf Hitler. With its dissolution the Centre Party gives its supporters the chance to put their abilities and their experience without reserve at the disposal of the

National Front under the leadership of the Reich's Chancellor for positive co-operation with a view to consolidating our national, social, economic and cultural position, and for co-operation in the rebuilding of a new constitutional order. Why, even the Social Democratic Party does not stand altogether aloof, for the Central Committee of the Social Democratic Party of Wurtemberg recommends its Members of Parliament to carry out their activities in a fashion which would permit no doubt to arise concerning either their nationalist views or their willingness to support the political rebuilding of Germany according to the plans of the National Revolution."

The self-emasculation of the Reichstag was thus followed by the self-emasculation of the political parties. Hitler was left in sole possession of the field, and this was done in a mood not of hopeless resignation, but of willing confidence. It is no doubt true that the majority of the German people had confidence in Hitler's promises and in his preliminary measures. The German people wanted to leave their misery behind them, and after the previous failure of democratic governments they believed that Hitler's ideas and the solutions he recommended would lead to this desired result. In fact, at first, both the principles he enunciated and his proposals for putting them into effect were unexceptionable. The German people wanted peace and bread. Hitler promised them both. The war and distress which he subsequently brought them were not what the German people wanted at all. What was so incomprehensible in the attitude of the democratic members of parliament and of democratic politicians generally was that they left the people without any leadership, instead of standing by in readiness to protect them against the falsification of their wishes by

the usurpation and deceit of which Hitler was subsequently guilty. For the moment these politicians were not able to take any share in the government of the country, but at least they could have remained at their posts ready to come forward as soon as a changed situation demanded it. Instead of that they left their supporters without leadership or representation. Such a violation of their duty can only be explained by a guilty conscience at having failed so completely in the past. On March 23rd, 1933, Wels, Social Democracy's mouthpiece in the Reichstag, declared: "The people expect positive achievements. They expect thorough-going measures against this terrible economic misery." This statement was an open confession that previous governments, including Social Democratic governments, had not succeeded in mastering Germany's economic distress.

It is true that in the first outburst many Communist and Social-Democratic leaders found themselves prevented by violence from taking any part in public life, but many still remained, and before long measures taken against many others were withdrawn. But they all remained passive. Those former Social-Democratic Ministers who did not leave the country were left in peaceful enjoyment of their pensions under the Third Reich.

My experience was different from that of the former Social-Democratic Reich's Minister Severing. In 1933 I had not the slightest idea of the terrible aberrations of which Hitler was to be guilty in the future. But in his evidence at the Nuremberg proceedings Severing declared that on January 30th, 1933, he had already known that Hitler's appointment as Reich's Chancellor would mean war. We are therefore entitled to ask how much this leader of what was once the largest political party in Germany

did to ward off the threatening danger he could see so clearly. We shall wait in vain for an answer. Severing also declared in evidence that in the autumn of 1943 he had refused to enter a government planned by the conspirators to take office after the overthrow of Hitler, on the ground that Schacht was to be a member of it. The reason, Severing declared, was that in the year 1931 Schacht had betrayed Democracy. My counsel, Dr. Rudolf Dix, made the following reply: "Despite the great respect which I feel for the clean political record of Severing, I am, to my regret, compelled to deny him any right to be considered a competent person to judge the political character of statesmen who, unlike himself and his coalition government, did not remain sunk in lethargic passivity. Perhaps not before a criminal court, but certainly at the bar of history, Severing and his political friends, thanks to their irresolution and, in the last resort, to the complete bankruptcy of their political ideas, bear an incomparably greater responsibility for the seizure of power by Adolf Hitler than does Hjalmar Schacht. This responsibility is made still graver by the fact that the witness Severing takes credit for having recognized even at the time that the accession of Hitler to power would mean war. If we are prepared to believe in Severing's correct political intuition, the responsibility of Severing and his political friends, in view of their passivity then and later, becomes all the heavier, once again incomparably heavier than that of Hjalmar Schacht. Our German workers are certainly not more cowardly than the Dutch. It did our hearts good to listen in this court to a witness describing the manly courage of the Dutch workers, who dared to strike under the bayonets of the invading army. Severing's supporters and his political friends in the German working class

might perhaps have persuaded the latter not to accept the dissolution of the trade unions in 1933 with such apathetic indifference if their natural leaders like Severing had dared a little and taken a little risk. In the last resort, let us remember, the Kapp Putsch in 1921 was defeated through the general strike of the workers. . . . I will not pursue this matter any further, but at the same time, and with all due respect to his honourable character, I must say that the witness Severing has shown an excessive and embarrassing degree of self-righteousness in seeking to place the blame on others for the seizure and consolidation of power by the Nazis, particularly when, unlike Schacht, he intuitively foresaw the subsequent development of Hitler—instead of pleading his indubitably honourable sentiments and his indubitably honourable intentions and then submitting himself humbly to the verdict of history."

Thanks to the irresolution and passivity of all his political opponents, Hitler was able to stage an even more ambitious extension of his power. His first step was to bring the *Laender* into line with the Reich. After that came the law for the re-establishment of the professional civil service, which soon led to the appointment of innumerable unsuitable candidates to civil service positions. In May, 1933, the property of all Communist organizations and institutions was confiscated, and the trade unions, with all their property and funds, were transferred to the German Labour Front. In July came the fatal law against any reconstitution of the political parties after they had gone into voluntary liquidation. A few days later came the law confiscating the property of all enemies of the people and of the State, which was followed on December 1st, 1933, by the law establishing the unity of party and State. With this, the national

regime became a National-Socialist regime. And all this was done quite legally on the basis of the Enabling Law. Through a combination of fear and incompetence Democracy had committed political hara-kiri. Complete monocracy ultimately took its place.

This development also presents its psychological riddles. During the period in which all the above-mentioned decisions, laws and decrees were promulgated, the majority of Ministers in the Reich's Cabinet were not National Socialists. How was it possible that they approved of all these measures, or at least let them go through without opposition? Certainly, the Weimar Constitution laid it down that the Reich's Chancellor himself, and not the Cabinet, should be responsible for the policy of the government, and therefore the Reich's Chancellor could overrule his Cabinet colleagues, but at the same time no Minister was under any obligation to put his signature to a measure which ran counter to his convictions. He was perfectly entitled to resign rather than accept any responsibility. In that case the Reich's Chancellor would have to look for someone to fill his place. However, any re-shuffle in the Cabinet would have made the public suspect serious differences of opinion. True, after the amalgamation of the two positions of Reich's Chancellor and Reich's President in the one person of Hitler on August 1st, 1934, the freedom of Ministers to resign their offices at will was abolished. From that point onwards Ministers needed the signature of Hitler as Reich's President before they could resign. But it was while they were still free to resign if they were unwilling to accept responsibility for any measure, that they gave their names to all those measures which created Hitler's totalitarian power. And finally, in violation of the Weimar Constitu-

tion on which they had all taken the oath, they appointed Hitler Reich's President as well as Reich's Chancellor.

The amalgamation of the two highest offices in the State in the one person of Hitler set the seal on Germany's development into a despotism. The practical conclusion had already been marked by the party blood-bath on June 30th, 1934, during which Hitler disposed of Roehm and Gregor Strasser, the only two rivals within his own party. A sort of praetorian palace revolution might one day have been feared from Roehm, but Gregor Strasser was a much more solid opponent, not disposed to adventures and trusting rather to evolution. These two had absolutely nothing in common. But when Roehm offered such a useful pretext for his removal, the opportunity was used to get rid of Strasser at the same time, as well as to settle many private accounts, for instance, by the murder of Kahr, Schleicher, and many others. The occasion was also favourable for disposing of awkward accomplices who knew too much. One of these latter was the Nazi Chief Group Leader in Berlin, Ernst, whose recklessness might one day have led to indiscretions concerning those responsible for the burning of the Reichstag. After the blood-bath of June 30th, 1934, the party was nothing but a completely submissive instrument in Hitler's hands.

At the time all this was certainly not so clearly recognizable to outsiders, of whom I was one, as it is to-day after the proceedings at Nuremberg and other revelations. For the outsider the happenings of June 30th looked like the conclusion of the revolutionary phase within the National Socialist movement, and gave rise to the hope that subsequent developments might be more peaceable. This hope was confirmed in particular by the leading generals of the Reichswehr, who may very well have

feared that Roehm might one day endanger their own position, and may therefore have witnessed the purge not without a certain feeling of relief. In any case, it is only from some such considerations that we can understand why the generals so readily accepted the murder of such a prominent member of their caste as Schleicher. It was their first voluntarily accepted humiliation and it must have given Hitler enormous encouragement. Finally, on August 1st, 1934, he made the armed forces take an oath of loyalty to his own person.

Working-class organizations failed in May, 1933, when the trade unions were destroyed. The moral abdication of the generals followed in July, 1934, when Schleicher was murdered.

A great mass of evidence, in addition to the official statements made at the time by the representatives of the dissolved political parties, can be brought forward to show that, despite all the phenomena of revolutionary violence which marked the first years of Hitler's regime, the opinion was still widely held that the system would develop constructively and fruitfully after all. On June 10th, 1933, the Catholic Bishops issued a pastoral letter to all the faithful of their dioceses in which they declared: "Precisely because authority occupies a quite special place in the Catholic Church, Catholics will not find it at all difficult to appreciate the new powerful movement of authority in the new German State and to subordinate themselves to it." At the time of the Reich's Presidential election in August, 1934, the 'Association of National German Jews' issued an appeal in support of Hitler which read: "We members of the Association of National German Jews, founded in 1921, have always, both in war and peace, placed the welfare of the German people and

the German Fatherland, with which we feel ourselves indissolubly bound, above our own welfare. That is why, despite the fact that it brought hardships in its train, we welcomed the national rising in January, 1933, because we regarded it as the only way to repair the damage caused in fourteen years of misfortune by un-German elements." And such an indisputable anti-Fascist as the Swiss theologian Karl Barth writes in his book *Schweizer Stimme*, 1938–1945: ". . . in the first period of its power National Socialism really had the character of a political experiment like others. . . . It was right and proper for the time being to give the political experiment of National Socialism a trial."

This was the attitude I, too, adopted, though I did not remain a mere passive observer, but took part wholeheartedly in the efforts which were being made to guide the Hitler regime into peaceable and normal channels. This was the task which democratic politicians had abandoned in their flight, and which I took up.

Chapter Three

OPPOSITION FROM WITHIN

IN July, 1934, Hitler asked me whether I would take over the Ministry of Economics in addition to my work as President of the Reichsbank, as Herr Schmitt, the Minister of Economics, had fallen ill. I was not frightened by the very great difficulties involved. Although we had succeeded in reducing unemployment considerably with the assistance of Reichsbank credits, our foreign trade and foreign exchange situation was still catastrophic. We still had just as much need to obtain foodstuffs and raw materials abroad, and our requirements had not grown smaller; but at the same time the obstacles raised by foreign countries to our export trade were no less; on the contrary, they were steadily increasing.

By loading Germany with reparations obligations and simultaneously granting her interest-bearing foreign loans on too liberal a scale, as well as by depriving her of agricultural land, the world had compelled Germany to work harder than ever before to export her goods. But at the same time the world refused to accept her exports. Everywhere her export trade came up against artificial barriers. First of all, foreign countries raised their customs duties against German goods. Then they began to depreciate their currencies in order to assist their own industries in the competition for foreign markets and at the same time to make things still more difficult for Germany's export trade. When even that proved ineffective they began to

introduce the quota system for the importation of German goods. Even the lowest priced and the highest quality German goods could not be imported into a number of countries beyond certain fixed quotas. And finally other countries began to seize payments for German exports to place against German obligations outstanding in connection with foreign loans. No, it was certainly not an unalloyed pleasure to be German Minister of Economics.

On the other hand it was absolutely necessary to keep our balance of foreign payments on an even keel. Reparations had been abolished, but our foreign indebtedness remained. It ate into the marrow of Germany's economic system like a cancer. But even if payments due in connection with foreign loans and credits had to be stopped, Germany must never be allowed to get into a situation in which she would be unable to obtain her vital supplies of foodstuffs and raw materials from abroad. That would mean new unemployment and privations. The work I had set out to do at the Reichsbank could easily be brought to naught by an inadequate economic policy, particularly by a wrong approach to the problem of foreign trade. My work was in danger. The two previous Economic Ministers, Hugenberg and Schmitt, had not been able to exorcise this danger. A combination of currency policy and economic policy in pursuit of a common end seemed an attractive idea, and I believed that I could find the requisite ways and means. In the interests of the German working class I naturally found the idea of mastering Germany's foreign-trade problem an attractive one, and the solution was already in my head.

What made me hesitate was the political situation at home. It was not so much the events of June 30th, with

its bloody party purge, which disturbed me, as the speech Hitler delivered in the Reichstag fourteen days later when he declared: "At that moment I was the supreme judge." Should a political Reich's Chancellor claim the right to set himself up in judgement over life and death without proper legal proceedings? Shortly before this speech I had said to Hitler: "How could you give your sanction to the shootings? At least you could have instituted courts of summary jurisdiction." And now Hitler quite openly claimed the highest juridical authority for himself. In addition, all political control over the policy of the Government had been abolished. Freedom of the press, freedom of assembly, and freedom of association had all been abolished. The political parties had abdicated, and in the upshot had all been officially prohibited. The Reichstag had been degraded to the level of a chorus of yes-men. Gestapo tyranny threatened all free speech and all free criticism.

Even if one believed—as I still did at that time—that despite his violent methods Hitler was out to do the best he could for the German people, to give them peace and work, it was still difficult to make a decision. Though his aims might be right and proper, his methods were intolerable. So far as I was concerned, I had certainly succeeded in maintaining my independent position, even on an official basis. I had refused to comply in any way with such party demands as seemed unethical to me. I had not become a member of the party and I had kept the so-called leadership principle, which I rejected on principle, out of the Reichsbank. I had refused to discriminate against officials who were Freemasons or otherwise 'politically unsuitable.' I had adopted no title, taken no rank and put on no uniform. I had accepted no presents and I had

not enriched myself. I had not joined a single National Socialist organization. I quite openly stressed my membership of the Confessional Church. But—and here was the astonishing thing—when I looked around me whom else did I see taking a similar line? Not one other amongst the high officials of the State had succeeded in retaining his freedom. Hitler strove to deprive every personality and every post of its character and dignity, and unfortunately not in vain.

But might it not after all be possible in the course of time to gather the good elements together and to awaken and organize resistance to the growing terrorism? Would not the Church, would not science, would not the leaders of the business world, would not the Generals pull themselves together and resist the terror? If each man in his own profession followed the inner voice of his conscience, there would be no need for any special resistance organization to embrace them all. A good example would encourage many others. Hitler's methods would then be defeated by the decency of his environment. I could not abandon that hope. In any case, there was nothing to be gained by mere resignation.

If I had withdrawn from public activity into private life that would merely have meant leaving the field to Hitler. An endless number of people adopted this course, but did they thereby free themselves from their responsibilities? Nothing is easier than to come along afterwards and say: "I wasn't there; I had no part in it." Do those who talk in this fashion bear any less responsibility for the fact that Germany was led into disaster? Why did they not stay at their posts? Why did they not defend every political, spiritual and moral principle with tooth and claw? What right have those men who withdrew or

emigrated then to pass judgement now on those few courageous and responsible men who took a different path, the path of struggle and resistance in an effort to save Germany, to avert disaster, and to restore moderation and reason to their proper place?

I chose to take the latter path. The greater the danger of a misuse of totalitarian power had become as a result of the failure of the democratic politicians, the more completely all governmental policy was isolated from the influence of external criticism, the more necessary it seemed to me to make use of the fulcrum which offered itself inside the Government, from which alone it might be possible to exert influence to prevent the adoption of false or unethical measures. The difficulties and dangers of my plan were quite clear to me. I accepted them with my eyes wide open.

Thus I entered the Hitler Government as its conscious enemy in so far as it tended to adopt unjust and violent methods. I did not want to resign as democratic politicians had done. I wanted to exert all my forces to save as much as possible of the legacy they had abandoned without a struggle. I did not want to emasculate myself and I did not want anyone else to emasculate me. If Hitler had insisted that I should accept any obligations towards his party our ways would inevitably have parted there and then. At an even earlier stage he had quite expressly refrained from making any such demand on me. This was perhaps the result of deliberate calculation on his part, but at the same time it showed that my independence and my abilities were not without their influence on him. It filled me with the hope that I should be able to persuade him to agree with me at least in some things. He knew that in many respects I did not share his views, but in

spite of this he never showed any want of respect towards me. In fact he even betrayed a certain nervousness in his direct dealings with me. Admittedly, this frequently led to actions being taken and orders issued behind my back, of which he knew I would disapprove, but I learned of that only by degrees in the course of his increasingly rapid degeneration.

Nevertheless, in the first years of the Hitler regime I had my way in quite a lot of matters, and this constantly revived my hope that I should be able to exert a favourable influence on the development of the situation as a whole. I managed to survive all the conflicts I had with the notables of the party and to settle matters to my own satisfaction even when they, his old comrades in the National Socialist struggle, appealed personally to him against me; and these conflicts were not all in the purely economic or financial field. In numerous instances I succeeded in defending tried and trusted officials, who were unwilling to submit to the Brown Terror, against all the attacks of Gauleiter and Reich's Stadholders, and in keeping them in their positions. I also frequently succeeded in warding off the designs of party bodies on public funds, in defending Chambers of Commerce and other business institutions against unwarranted and inexpert interference by party authorities, and in saving Jewish business men from arbitrary or extortionate confiscations.

As late as May, 1937, I was able to bring a particularly acute struggle with Ley to a victorious conclusion. The training of apprentices had been carried out from time immemorial by their masters under the guidance of the appropriate associations, and under my protection it still went on in the old reliable and efficient fashion. However,

Dr. Ley sought to introduce 'the National Socialist spirit' into this particular phase of youth training and education as well. He demanded that the training of these apprentices should be placed under the control of his German Labour Front. What that would have meant I learned later from an interesting talk I had with a hairdresser's apprentice who complained that he was not allowed to take his journeyman's diploma because he was quite unable to remember the various birthdays of the party notables or to learn by heart the so-called 'ideological phraseology' of the Training Letters, though he was complete master of all the technicalities, customs and tricks of his trade. Now whilst this dispute over the training and control of apprentices was still going on, I had agreed to be present officially at a so-called ' discharge celebration ' at which apprentices who have served their time are officially presented with the diplomas which make them journeymen. It was quite clear that in the circumstances my official presence at the celebration would be tantamount to a demonstration on my part against Ley's German Labour Front. Ley therefore did his best to prevent the celebration being held. In fact, he actually succeeded in securing from Hitler an order prohibiting it. I heard about the prohibition only the evening before the celebration was due to take place. The next morning I went straight to Hitler, who answered my request for a withdrawal of the order by saying that Ley had told him that if the celebration were held there would be disorders. I replied that if there was any disorder it would only be because Ley had organized it, and I protested in the sharpest possible terms against such a disavowal of my ministerial authority. Only when I demanded my dismissal in the event of the order still holding good, did

I succeed, a few hours before the celebration was timed to begin, in securing its withdrawal.

At the celebration itself I naturally made good use of the opportunity it afforded to put forward my own point of view and to stress my disagreement with the attitude of the party. In my speech to the young journeymen I insisted that trade training must not be entrusted to politicians, but must be left exclusively in the hands of men who were themselves trained experts at their trade. I would never be a party to any division of authority in this respect. I then cited a number of passages from the Bible to encourage my young listeners to stand up for justice and truth.

It was a victory, but a pyrrhic victory. The more the party felt my opposition the more obstinate it became.

The Nuremberg laws against the Jews were promulgated without the Reich's Cabinet ever having discussed the matter. The whole action had been previously arranged with the Ministry of the Interior. I had repeatedly urged Hitler to introduce legislation which would officially give Jews that legal protection which had been promised to them in the National Socialist programme, including the enjoyment of the same rights in Germany as citizens of foreign states. Instead of this legal protection, which I was anxious to see granted in the particular interests of free economic activity, the Reichstag was suddenly called together in connection with the Party Congress at Nuremberg, and this disgraceful conglomeration of politico-racial injustices was placed before it and adopted before even the Minister of Justice had been given a chance of studying it.

Shortly after this Nuremberg Party Congress I received an invitation to be present at a conference under the

chairmanship of Frick, the Minister of the Interior, and on my arrival I found an assembly of representatives from various Ministries and Departments passionately discussing the problem of how men and women with fifty per cent Jewish-Aryan blood were to be treated now that the Nuremberg laws had come into force, and in particular whether such people could be permitted to marry full-blooded Aryans. People with only twenty-five per cent of Jewish blood in their veins were to be regarded as assimilated. I sat there and listened in astonished silence until finally I was urged from various sides to express my opinion. Then I let my impulse towards irony have its head: "You have obviously invited me to this discussion in order to hear what is to be said from the standpoint of political economy; and perhaps, in view of the importance of these people of mixed blood to Germany's economic life, you expect to hear me object to the way in which you propose to deal with them. But you are wrong, gentlemen. Who am I to bring forward banal business considerations against such elevated ideological principles? I too adopt an ideological standpoint, and I am unable to share the inferiority complex you are all suffering from. I do not agree that Aryan blood could be soiled by so small an admixture of Jewish blood. On the contrary, I consider the Germanic race so vigorous that I am confident that it can easily assimilate the trifling admixture of Jewish blood you are all so afraid of. And there is still another point I should like to make. You propose to treat the twenty-five per cent hybrids as Aryan. Now if you permit the fifty-per-cent-er to marry a full-blooded Aryan, the next generation will be the twenty-five per cent mixture which you are prepared to regard as Aryan. Why aren't you willing to wait this one generation? Why do

you want to build up the Thousand Years Reich with such indecent Yiddish haste?" These shrewd blows found their mark so well that no decision was made for a general limitation of mixed marriages, and other proposals against those of mixed blood were also abandoned.

In the financial sphere, too, I succeeded in getting my point of view accepted. Within the framework of the Public Works Programme I had arranged the first credits, to the sum of 600 million marks, for the beginning of the motor-road scheme. As a reward I was later given a seat in Hitler's motor car at the ceremony of opening the first stretch from Frankfort-on-Main to Darmstadt. However, that did not prevent my insisting that further finance for the scheme should be raised in the ordinary way from budgetary resources, and that the first sum of 600 million marks should be paid back to me from the Budget. After a certain amount of sparring I succeeded in obtaining the repayment of this 600 million marks, and in passing the problem of future finances over to the Reichsbahn, whose head, Dorpmuller, eagerly seized the opportunity of demonstrating to Hitler what a valuable servant he was.

However, as the financial administration of the Reich's Railways was not conducted on very economical lines, it was not long before Dorpmuller found himself in difficulties and began to press for permission to float a railways loan. Now when I agreed to take over the financing of the Public Works Programme I had made it a condition of my acceptance that the Board of the Reichsbank should have control of all issues, because naturally the Reichsbank was keenly interested in securing the financing of the Public Works programme as far as possible by long-term loans in addition to Mefo Bills. I therefore sternly prohibited all undesirable issues by public corporations,

municipalities and industrial interests. It was thanks to this policy that between 1935 and 1938 the Reich was able to raise no less than eight milliard marks in long-term loans. Of course, it would have been very convenient for the Reich's Railways to be able to float a loan instead of cutting down expenditure. But I would have none of it, and I reproached Dorpmuller's administration for its extravagance and recommended greater economy. "The Reich's Railways may be in a position to demand credit," I declared, "but they have done nothing to deserve it." And willy-nilly Hitler submitted to my veto.

Inside the party there was a strong movement to bring more and more industries into the hands of the State. This had little to do with considerations of economic policy and a lot to do with the idea that State ownership would mean the creation of well-paid posts and profitable pickings. Private insurance companies were particularly conscious of this threat, and they approached me to secure my intervention with Hitler in the matter. I explained to Hitler that whilst certain branches of the business (for instance, fire, hail and cattle insurance), might be suitable for State administration, it was quite impossible to put certain other branches such as life, stock-exchange, transportation and other insurance into bureaucratic hands. Here, too, my intervention was successful.

The document which appointed me Commissarial Minister of Economics was the last to bear the official signature of Reich's President von Hindenburg. I began work in my new and additional role on August 2nd, 1934, the day of his death. The work I had to get through was doubled, but so also was the need for watchfulness. Wherever I saw a chance in my new office to prevent

injustice or violence I was determined to take it. From the beginning I left no doubt on that score in the minds of my new collaborators. As long as I was at its head, the Ministry of Economics was to be a tower of justice and decency. My collaborator Sperl declared in an affidavit submitted in evidence: "As soon as he had taken over his office Dr. Schacht let it be seen that he proposed to uphold justice and honesty, come what might, in his department and in the business world. He sharply condemned the fatal, illegal and arbitrary actions of the party, and in particular of its Gauleiters, and he demanded from all his officials uncompromising opposition to every illegal act. . . . In consequence he became known more and more as an enemy of National Socialism. His vigorous language and his energetic actions were well known not only in the Civil Service, but in wide business circles and beyond, and were particularly feared by the party." Ministerial Director Schniewind of the same Ministry declared in evidence: " As far as our staff policy was concerned, we were in agreement from the beginning as to the desirability of keeping the greatest possible number of non-Nazi officials in their jobs and, as far as possible, keeping Nazi elements out of the service." This evidence proves that I did not develop into an enemy of National Socialism gradually, but that from the very beginning I was determined that when I took over the Ministry of Economics I would turn it into an effective centre of resistance to the excesses of the Hitler regime.

The most important problem which awaited me in the Ministry of Economics was in the sphere of foreign trade. Its solution was found in the so-called New Plan. Germany's exports were totally inadequate to pay for her imports of foodstuffs and industrial raw materials from

abroad. The obstacles which were placed in the way of Germany's exports everywhere progressively limited her opportunities to buy goods abroad. We needed foreign foodstuffs and we could pay for them only with industrial goods. Before we could manufacture these industrial goods we needed raw materials which were unobtainable in Germany and had to be got from abroad. As foreign countries did not buy sufficient goods from us we were unable to obtain sufficient foreign exchange to pay for the purchases we desired to make. The problem seemed practically insoluble.

I began my search for a solution from the very simple principle that Germany must refrain from buying more than she could pay for, in order to prevent an accumulation of foreign debt which would make a proper trade balance still more difficult to establish in the future. If a country cannot pay for everything it would like to buy, then for the time being at least it must buy only the things it most urgently needs, and it must buy them wherever the terms of trade are most favourable to it. Now 'the most favourable' is not always equivalent to 'the cheapest.' In this respect other countries had taught us a thing or two. The system of import quotas had closed markets to German goods even when they were the best and cheapest obtainable on those markets. The corollary was not difficult to see. If a country has insufficient foreign exchange to permit it to buy what it needs anywhere and everywhere, then the question of cheapness ceases to be of interest, and the main question becomes whether it is possible to obtain the desired goods anywhere at all, even at high prices. Might it not therefore be possible to find countries which would be willing to sell their goods not against payment in their own currency, but

against some other consideration? This other consideration in our case could only be German goods. Thus I had to look around for agricultural and raw material producing countries which would be willing to take German goods in exchange for the foodstuffs and raw materials they produced. Bilateral commercial agreements with such countries were the solution.

The next task was to work out some suitable form in which agreements of this kind could be operated, and to make it as simple as possible for foreign sellers. It struck me that the best solution was the establishment of 'clearing accounts.' Foreign countries selling goods to us would have the amount of our purchases credited to their account in German currency, and with this they could then buy anything they wanted in Germany. Thus, with the proviso that the money must be spent in Germany, our foreign trading partners remained perfectly free in their dispositions. On the other hand the New Plan involved a fairly strict control over the nature and volume of the goods imported by German merchants. German importers could no longer be permitted to buy whatever quantities of whatever goods on whatever market they pleased. With the introduction of the New Plan they would have to be guided by what Germany's economic system most needed and by the possibilities of payment which these bilateral clearing accounts created.

Apart from this formal limitation, the New Plan also involved certain automatic restrictions. Its operation was dependent on two essential conditions: the stability of the purchasing power of the mark in Germany, and the production of sufficient quantities of such export goods as our foreign trading partners desired. As delivery dates for exports could not always coincide with delivery dates

for imports, owing to technical considerations, a time-lag might intervene, and the mark must be saved from losing its purchasing power during the interim period. Further, foreign countries would naturally be prepared to supply their goods on such terms only as long as they could obtain goods in Germany to meet their requirements.

The failure to take these two factors into consideration after my departure from the Ministry of Economics led to the breakdown of the clearing system during the war. Excessive armaments not only ruined Germany's currency, but reduced her production of civilian goods to such an extent both in quality and quantity that foreign suppliers no longer found it possible to reimburse themselves by means of purchases in Germany. The peasant in South-east Europe did not want guns in exchange for his crops, but agricultural implements and machinery. The clearing system of trading still continued to operate during the war, but only with dependent countries and under political pressure. Germany's indebtedness towards these countries rose to many milliards of marks. However, that was not a natural and inevitable development of the scheme but the result of excessive prices and enforced deliveries.

As long as I was in a position to keep German armaments within reasonable limits, the New Plan did much to reduce our export difficulties. There were enough countries, particularly in South-east Europe and South America, which gladly seized the opportunity offered of selling their goods on an open market serving seventy million customers. The success of the New Plan was astonishing. The previous passivity of our balance of payments disappeared within a few months and we were able to increase our imports both of foodstuffs and raw

materials quite considerably. During my term of office as Minister of Economics, imports of half-finished goods were cut down by two-thirds, whilst imports of ores, petrol and grain were more than doubled. The total of commercial debts run up before the introduction of the New Plan was halved.

The whole commercial policy embodied in the New Plan, which ran counter to all previously held theories on foreign trading, was carried out by me without even an expression of opinion on Hitler's part. He gave me a completely free hand. What I did seemed hardly to interest him, and I am afraid it remained completely beyond his comprehension. He devoted his attention to the pursuit of his foreign political ideas and the building up of his armed forces.

The re-introduction of compulsory general military service was announced in the spring of 1935, and in the following year the de-militarised zone in the Rhineland was once again occupied by German garrisons. Hitler showed a keen interest in the planning of his motor roads, in the monumental building operations of the party in Munich and Nuremberg, and in the exhibitions of the Academy of German Art. His mood was mercurial; sometimes he would be cast down and full of doubts, but soon afterwards he would feel elated and triumphant, according to the reactions which his measures evoked abroad. The complete passivity of foreign countries towards his policy of aggression, the readiness with which Great Britain consented to sign the Naval Agreement with him, the empty paper protests against his violations of the treaties of Versailles and Locarno, and the growing admiration for him expressed in wide circles abroad, effectively contributed towards consolidating his vacil-

lating self-confidence and strengthening his belief in his own mission.

He kept the party busy with celebrations, parades and demonstrations which no longer had any real significance but kept alive the memory of his early days of struggle, and at the same time gave his followers the feeling that they were playing an important role in the State. It was as a result of this that the Party pundits interfered everywhere and on an ever-increasing scale in affairs of State, and were guilty of constant irregularities and acts of tyrannical violence. When complaints of their doings came to Hitler's ears he seemed to consider it a matter of principle to support and shield his old, tried and trusted fighters as far as was possible. The more indulgent he showed himself towards them the more he increased their dependence on him. For him the only reprehensible thing was resistance to his orders or his policy. Whether the edifice of law and order suffered was of little importance. After all, he was the State.

At first Hitler sought to draw me into his own intimate circle. On two occasions, after repeated invitations from him, I was present at his luncheons in the Reich's Chancellory. But I found that quite enough. Not only was the general level of conversation extraordinarily banal, but the Byzantine adulation shown to him was so disgusting that I renounced all further contact with the company. I was no more intimate with any other of the leading men of the party. True, there were now and again more or less official functions at which I met them, but there was never anything like friendly relations or confidential discussions on questions of the day. In any case, none of the Party pundits had any desire for such discussions, and most of them lacked sufficient education to engage in

them, for amongst the Gauleiters there was everything from the academically educated down to the postman and the labourer. But I think the decisive factor was that none of them was ever prepared to let himself be taught. They all felt themselves supermen who had sprung fully armed from the head of Hitler, possessed of a statesmanship that came, not from knowledge and experience, but from intuition and inspiration. To have put themselves in the position of having to show such superlative mastery in an objective discussion might well have proved embarrassing. It was impossible for them without risking loss of face. Owing to the widely disparate educational levels of the participants there was never a social evening which did not end in drunkenness and ribaldry. That was little to my taste.

In consequence I kept my distance from the Party all the more sharply, and resisted all the more vigorously its interference in my Ministry. I impressed it on all my officials by written instructions that they were not to give way to Party pressure and that they were to carry out no orders but mine. When I learned that one of the Party notables had made some contemptuous remarks about me to one of my officials, I at once forbade the offender to set foot in the Ministry again. I also made no secret of my attitude towards the Church. I ostentatiously attended the services held by Pastor Niemoeller, who was vicar of the parish church of Dahlem where I lived. On religious occasions it was always a pastor of the Confessional Church who officiated in the presidial residence of the Reichsbank. And I always exhorted the office boys at the Reichsbank to hold their Christmas celebrations not as pagan Yule festivities but in honour of the birth of our Saviour. Naturally, none of this helped to lessen my conflict with the Party.

However, most of the difficulties which occurred arose out of the Jewish question. That question occupied a very great deal of time and attention at Nuremberg, and this is not surprising in view of the fact that the terrible massacre of millions of Jews established by documentary and other evidence came as a revelation to most of the accused, who heard of it for the first time during their trial. My attitude to the Jewish question has never varied. In the interests of the Jews themselves I have always felt that it was a mistake on their part to have striven so zealously to occupy our cultural key positions. Culture is rooted in religion, and the religion of the Germans is Christianity. Any culture seeking to base itself purely on reason and knowledge must lose its soul. The difference between culture and civilization is that the latter has no soul, and can therefore never take the place of culture, which we find even where there is no civilization. Cultural policy in a Christian State must under no circumstances be left in the hands of non-Christians, whether they are Jews, Mohammedans or Buddhists.

In all other spheres the Jew should be permitted to act in just the same way as all other citizens of the State. The Jew is entitled to the same brotherly love, respect and help as all his fellow human beings. The preliminary attempt of the Nuremberg indictment to brand me as anti-semite therefore broke down, and then made the best of things by declaring that in this matter I needed no defence. The evidence given by Sperl included the following statements: "Dr. Schacht was always very helpful towards those officials who were forced to leave the Civil Service because of the legal provisions in regard to their Jewish kinship or for other reasons, and did his best, invariably with success, to find suitable employment for

them in the business world under the wing of the Ministry of Economics. He also helped many other persecuted people elsewhere." Before I took over the Ministry I spoke to Hitler about his policy towards the Jews, and I received an assurance from him that they were to be permitted to go about their business affairs without let or hindrance as before. Backed up by this assurance I was able to fight every such conflict with the Party Gauleiters through to a successful conclusion in favour of the Jews.

One day the manager of the branch office of the Reichsbank in Arnswalde, a little town in the province of Brandenburg, found himself publicly berated as a traitor to the people in the so-called Stuermer-Kasten* because his wife had been seen making a purchase in a shop kept by a Jew. I immediately got into touch with the Mayor of Arnswalde and demanded that the offensive notice should be withdrawn at once and that an adequate and public apology should be made. When my demands were rejected I ordered the closing of the Reichsbank office in Arnswalde, and I kept it closed until the local Gauleiter finally saw fit to make the public apology I had demanded.

On another occasion this same *Stuermer*, Streicher's notorious anti-semitic journal, published a report to the effect that a certain member of the Board of the Reichsbank was married to a Jewess, and added one or two derogatory observations. I did not rest until I had succeeded in moving Hitler to force the *Stuermer* to publish an apology.

At the beginning of May, 1935, I took occasion to approach Hitler quite officially and request him to put a stop to the violence and excesses of the Party. I handed

* This 'Stuermer-Kasten' was a frame exhibited outside local offices of Julius Streicher's *Stuermer*, in which denunciations of local people for this, that or the other fancied offence were exposed—a sort of moral, or rather immoral, pillory.—*Trans.*

him two memoranda. One of them condemned the ceaseless collection of funds carried out by all sorts of Party institutions and bodies, and demanded that such activities should cease on the ground that they were seriously interfering with my monetary and financial policy. The resources of the taxpayer should remain available to finance the Public Works Programme and in particular Germany's rearmament, and not be frittered away for celebrations, building and other Party projects. The second memorandum condemned acts of violence against the Jews and against the Church in the sharpest terms, and demanded the abolition of the tyrannical methods of the Secret State Police, or Gestapo, which were bringing Germany into discredit throughout the world. I should not, I declared, be in a position to pursue a successful foreign-trading policy if Germany were publicly branded with such things in the eyes of the world. Hitler seemed not a little dismayed by the very frank language of these two memoranda, and he tried to soothe me by assuring me that it was only a question of post-revolutionary pains and that they would soon be allayed.

However, I did not let myself be fobbed off with such phrases, and three months later at the Easter Fair in Koenigsberg I took occasion to deal with these same questions publicly. As no one was prepared for such a thing my speech was broadcast by the Deutschlandsender as already arranged, but its reproduction in the Press was immediately prohibited. That did not prevent me from having the speech printed in the private printing office of the Reichsbank. A quarter of a million copies were distributed throughout the Reich without Goebbels daring to interfere. It was from this incident that Hitler's first open mistrust of me dated. At the same time it showed Germany

and all other countries just where I stood, and that I was not in the least prepared to co-operate in any way with National Socialist methods of violence, or to approve or even tolerate them.

At the same time I pointed out in Cabinet circles that this National Socialist policy of violence was intolerable. The following is taken from a letter written by me to the War Minister, Blomberg, on December 24th, 1935: "The picture of the difficulties caused to my foreign-trade and foreign-exchange policy would not be complete if I did not point out the obstacles of a political and cultural nature which arouse resistance and aversion throughout the world to any commercial relations with us. The economic and legal treatment accorded to the Jews, the anti-religious movement of certain Party organizations, and the lawlessness of the Gestapo all combine to prejudice our armament efforts to a degree which could at least be greatly diminished by the use of more reasonable methods without abandoning our aims."

The New Plan had borne fruit. The passivity of our foreign trade balance had given way to an export surplus. The foreign exchange situation had been improved, both foodstuffs and raw materials were being imported in adequate quantities, and unemployment had been completely abolished. All that was now necessary to keep our economic situation stable was for us to go on working calmly along these new lines. However, that did not suit either Hitler's mentality or his intentions. Everything had to be bigger and to be done quicker. Rearmament must be speeded up and increased. But the New Plan was not a sort of *perpetuum mobile*. Its continued success did not depend merely on the requirements and the purchasing power of the countries which had drawn up the clearing

agreements with us, but also on our capacity to deliver an adequate volume of civilian consumer goods. Germany's rearmament had to fit into the framework of the New Plan—or break it.

Even during the course of 1935 I began to exert pressure on the armed forces to keep the speed and extent of their rearmament within reasonable bounds. I delivered a number of lectures at the War Office and in the War Academy to audiences of senior officers, in the course of which I explained the relation between armaments and the economic system, and stressed the necessity of keeping the former within strict limits owing to the special difficulties of our economic situation. To their credit I must say that the responsible officers engaged in the re-equipment of the armed forces showed considerable understanding for my observations and warnings. But the War Minister, Blomberg, was less pleased, and after a while he put a stop to my lectures altogether. However, I did not cease my efforts on that account. For instance, I replied as follows to a letter from him dated November 29th, 1935: "From your letter I observe that it is proposed to increase the demands of the armed forces for copper and lead to about twice the present requirements. That includes only current demands, whilst the equally urgent need for stocking up is not covered in the figures. You expect me to provide the necessary foreign exchange to meet this demand. Let me respectfully reply that in the prevailing circumstances I see no possibility of doing so."

General Thomas, the head of the War Economy and Armament Office, gave evidence in Nuremberg as follows: "From 1936 onwards Schacht took every possible opportunity to induce Blomberg to limit the speed and extent of rearmament. His reasons were as follows: (1) the

danger to the currency; (2) the inadequate production of consumer goods; and (3) the danger in the sphere of foreign politics, which Schacht saw might arise from excessive rearmament. The last point caused him to point out to Blomberg and me again and again that our armaments must under no circumstances lead to a new war. These were also his reasons for threatening Blomberg with his resignation in 1936 and again in 1937. On both those occasions I was instructed by Blomberg to persuade Schacht not to carry out his threat to resign. In 1937 I was present at a discussion which took place between Blomberg and Schacht."

It was not only rearmament which took an excessive share in our foreign-exchange revenue. The Nazi Party lay outside the control of my foreign-exchange policy, but I knew that various party organizations had succeeded in obtaining foreign-exchange as a result of collections amongst Germans living abroad and amongst other patrons. According to the letter of the law all such foreign-exchange should have been surrendered to the Reichsbank, but in fact the Reichsbank never saw a penny of it. Naturally, I approached Hitler in the matter but he merely shrugged his shoulders. Another discovery the Reichsbank made one day was even more serious. Amongst the mark notes which foreign banks purchased in their respective countries and then sent to us to be changed into their own currencies, we found packets of notes which were bundled just as they had left the Reichsbank. Our investigations led us to the conclusion that certain Party officials had ignored all the existing currency regulations, and evaded the frontier controls, in order to sell whole packages of bank-notes abroad in return for foreign exchange which they needed to pay for their

propaganda, their information service and their organizational work abroad.

Now all my life I have consistently refused to take any responsibility for things which are outside my control, and I was therefore not prepared to lend my authority to a foreign-exchange policy which could be punched full of holes with impunity by irresponsible Party circles. Unless I was to become a laughing stock, the time had now come to lay down a responsibility which the State with all its laws was unable or unwilling to uphold. It was the first open reverse on the path I had hoped to follow successfully. I went to Hitler and requested him to release me from all my responsibilities in connection with our foreign-exchange control, and at the beginning of April, 1936, Goering was entrusted with the control of foreign-exchange and raw materials. With this an essential link had been broken in the chain of my financial and economic policy, and control was now in amateur hands. At first I hoped that Goering would exert his authority in the Party to protect our foreign-exchange, but I was entirely wrong. Before long it became clear to me that Goering was interested only in exploiting his new office as a basis on which to build up the strongest possible position for himself in the economic world, and that, at the same time, he was diametrically opposed to the fundamental principles of my policy.

I had had to accept a minor defeat with regard to our foreign-exchange affairs, but I did not give up my other activity on that account. I had always been a zealous upholder of the colonial idea, not in an imperialist sense but because an industrial people have rarely sufficient arable land to feed themselves and therefore require supplementary sources of agricultural production. The

annexation of Germany's colonies by the Versailles Treaty represented a serious threat to European peace because it barred the way to any reasonable solution of our surplus population problem. If after 1918 Germany had been able to concentrate her energies on developing her colonies, instead of having to concentrate them on her export trade, she would have been able to obtain the bread and fats she needed from her colonial production, instead of being compelled to upset the industrial markets of the world by excessive competition.

In addition, a big colonial political task would have been an advantage from an emotional point of view, because it would have offered an outlet for our spirited German youth. The youthful enthusiasm and love of adventure, which found a sterile outlet playing at soldiers in the Hitler Youth, could have been harnessed in fruitful pioneering activities in the colonies in the interests of world progress. Unfortunately the Versailles Peace Conference did not emulate the sound policy of Bismarck, who directed the attentions of the French to their colonial empire after their defeat in 1871.

The Nuremberg indictment sought to interpret my demand for 'living space' for the German people as a proof of an inclination towards the National Socialist ideology on my part, and an indication of my approval of a war of aggression. I expressed my astonishment that the American Prosecutor in particular should have put forward such a suggestion. President Wilson's Fourteen Points, which were unfortunately abandoned, specifically provided that Germany's colonial interests should be taken into account, that is, that the necessary extension of her living space should be granted. I never demanded any other living space for Germany than in the colonial

areas. And further, I never had anyone else's colonies in mind; only our own, which had, of course, never been finally handed over to our former enemies as their own property, but merely passed to them to administer under a mandate. For me the colonial question was never an imperialist or a military question, but exclusively an economic one. On repeated occasions I publicly condemned an imperialist attitude towards the colonial problem and even dismissed the question of sovereignty as a side-issue.

I had often attempted to persuade Hitler to show more interest in the colonial problem than he had done up till then, particularly as it found a place in the party programme. However, his dream of German expansion into Eastern Europe was firmly rooted amongst those fantasies of *Mein Kampf* which had no hope of ever being fulfilled. The very manner of presentation adopted in this work of propaganda indicated that the expansion eastwards was unrealizable. Hitler himself had declared that it could be carried out only if England would agree to it, and no reasonable politician could suppose that England would ever agree to such a fundamental change in the continental *status quo*.

In the summer of 1936 I at last succeeded in persuading Hitler to send me to Paris to get in touch with the French Government with a view to securing the return of one or the other of our former colonies. Happily the government of Léon Blum showed considerable understanding for the case I put forward. On principle it was in favour of a friendly discussion of the problem, and it undertook to get into touch with the British Government on the point. The attitude of the French Government filled me with hope which, however, soon changed to depression when

the British Government delayed making up its mind on the matter for many months. Finally, in February, 1937, I received confidential information from London which sounded promising. But before any definite answer could be obtained Hitler spoiled everything by his intervention in the Spanish civil war, an action which had a most unfavourable effect on our relations with the Western Powers. The visit of the German Foreign Minister, von Neurath, to London, which had already been agreed upon, had to be abandoned, and the promising discussions I had opened up were not continued.

Chapter Four

OPEN RESISTANCE

THE colonial solution, which might have contributed to an improvement of our economic situation, was rendered impossible. The problem of foreign trade once again pressed heavily on the life of the German people. My disagreement with Goering on politico-economic grounds now extended to Hitler himself. As long as Hitler was faced by a recognized expert, he had kept his hands off Germany's economic policy altogether, but now that one of his myrmidons, Goering, had a share in the shaping of Germany's economic policy, he seemed to think it incumbent on him to show his subordinate that he, too, was quite capable of taking the reins in economic affairs, and was determined to do so. In August, 1936, he drew up a memorandum on economic questions which was to serve Goering as a guide in his economic work. I did not see this document until the time of the Nuremberg proceedings ten years later. There were three copies of the original memorandum, and one was handed to Goering, another to Blomberg and the third to Speer when he became Armaments Minister in 1942. In Nuremberg Prison Speer handed me his copy of the memorandum to read. This memorandum formed the basis of the so-called Four Year Plan announced by Hitler at the Nazi Party Congress in September, 1936.

This secret memorandum not only completely abandoned my economic policy but showed open hostility to

me as an individual. This was something Hitler had never expressed to me directly at all, either with regard to his feelings towards me or to his opinions about my policy—a belated proof of the whole cunning and deceit of the man. When he handed this memorandum to Speer in the spring of 1942, he observed that lack of understanding on the part of Schacht and refractoriness on the part of the business world towards all large-scale planning, had prompted him to draw it up.

This memorandum contains the following passages which are directed exclusively against me: "It is not the business of State economic institutions to bother their heads about production methods. That is nothing to do with the Ministry of Economics." "It is further necessary to increase German iron production to the utmost. The objection that we are not in a position to produce such cheap pig iron from 25 per cent German iron ores as we can from 45 per cent Swedish iron ores has no weight. The objection that in this case all Germany's blast furnaces must be altered is similarly of no importance and, above all, is nothing to do with the Ministry of Economics." It is not often that one meets so much ignorance expressed in so few words. Such passages are best calculated to show the calibre of Hitler's economic thinking and his complete lack of understanding for economics. At the same time it is characteristic that he never dared to talk such nonsense openly to me. He shrank from doing so in the presence of an expert. He did not hesitate to set all this nonsense before his underlings Goering and Speer because he knew full well that they would not dare to contradict him in any way. Two days before the Party Congress he informed me casually that he proposed to deal with the question of raw materials, and this caused

me to urge the War Minister to immediate action, pointing out that if he did, it could only end in disaster. I did not hesitate for a moment to make this counter-stroke because I had correctly estimated Hitler's economic ignorance. But, of course, once again I was unable to persuade Blomberg to take any action.

Goering set out with all the folly and incompetence of the amateur to carry out the programme of economic self-sufficiency, or autarky, envisaged in the Four Year Plan. He exploited the plenary powers Hitler had given him as chief of the Four Year Plan operations in order to extend his own influence over economic policy, which he did not find difficult, since he was now, of course, in a position to place really large contracts. Under the banner of this 'Four Year Plan', decree followed decree. On December 17th, 1936, Goering informed a meeting of big industrialists that it was no longer a question of producing economically, but simply of producing. And as far as getting hold of foreign exchange was concerned it was quite immaterial whether the provisions of the law were complied with or not, provided only that foreign exchange was brought in somehow. Whoever succeeded in obtaining foreign exchange would go scot free even if he had broken the law. Only those who broke the law without succeeding in obtaining foreign exchange would be prosecuted. In other words Goering proclaimed the dissolution of all economic order and the introduction of jungle morality. It was incumbent on me to denounce this economic nonsense, and to oppose this irresponsible and wanton flouting of the law, as openly as possible.

I gave Goering my public answer in a speech at a celebration organized by the Reich's Chamber of Economics in honour of my sixtieth birthday. The audience was more

or less the same as that which had listened to Goering's December speech, so that my allusions were generally understood. "Legislation exists, amongst other reasons, to guarantee the proper functioning of the economic system," I declared. "Thus, gentlemen, when anyone says: 'You can evade the law and its provisions with impunity,' I say that I will bring anyone into court whom I find evading the provisions of the law." And referring to the economic aspect of the question I declared: "Assuming that technical means remain the same, then there is no getting round the fact that if I proceed to work iron ore of 30 per cent ferrous content where I previously worked iron ore of 60 per cent ferrous content, then I shall need double the amount of labour power, double the amount of transportation, double the blast-furnace capacity, &c., to produce the same result with 30 per cent ore that I previously produced with 60 per cent ore. That is to say, gentlemen, that I must cut production at some other point if I am suddenly to concentrate my energies on this." And further: "If anyone says: 'The important thing is to produce, not to produce profitably,' I say to you that if you produce uneconomically you will waste the substance of the German people. . . . If I sow a hundredweight of grain on a certain area of land and harvest only three-quarters of a hundredweight, then that is the most utter economic nonsense imaginable."

Goering's policy of recklessly exploiting Germany's economic substance necessarily brought me into more and more acute conflict with him, and on his part he exploited his powers, with Hitler and the party behind him, to counter my activity as Minister of Economics to an ever-increasing extent. One of his most outrageous moves was the establishment of the so-called Hermann-

Goering Works. To the south of Brunswick, near Salzgitter, there are big deposits of iron ore whose ferrous content is so low that it had never paid to exploit them. Even the layman can easily understand that it must be much more expensive to exploit ores of 30 per cent ferrous content than ores of say 45 per cent ferrous content. It is much more expensive not only in money, but in manpower, transportation, machinery, and so on. This surplus expenditure of manpower, materials, and so on, made no impression on Goering. The order was issued to exploit this low-ferrous ore in order to economise on the importation of foreign ores. With an expenditure of milliards of marks huge works were erected and brought into operation. It is hardly necessary to mention that the Hermann Goering Works always operated at a loss and was constantly demanding more credits from the Reich, none of which had the least chance of ever being paid back. In order to cloak the fiasco the directors of the Hermann Goering Works soon began to buy up all sorts of other undertakings, preferably those which showed a good rate of profit. In the end the thing swelled up to an enormous and utterly top-heavy growth, with stupidity, corruption and fraud writ large all over it.

When, at the end of July, 1937, behind my back and without even consulting me, Goering issued a mining decree relating to a matter which was exclusively one for the Minister of Economics, I went to Hitler at once and requested him to release me from my responsibilities as Minister. Responsibility and authority, I explained, could not be separated. If I were to bear the responsibility, then I must have the authority. If Goering were to exercise the authority then he must also take over the responsibility. I should not be prepared to subordinate myself to

Goering; for he understood too little of economics and I too much.

It is characteristic of the tactics adopted by Hitler that I had to fight for three months before I could obtain my release. He was anxious at all costs to prevent its being known outside that I was giving up my office because of a serious difference of opinion, particularly as under my aegis the success of the Ministry had been so obvious. The talk which I had with him in August, 1937, at Obersalzberg concerning my resignation assumed a positively theatrical character. Assurances of his great personal affection for me were followed by long and earnest handshakings and exhortations never to leave him in the lurch whatever might befall, and these in their turn were followed by appeals to my patriotism, and so on. Behind it all was nothing more than a certain embarrassment caused by the difficulty of explaining my going satisfactorily to the outside world, coupled with the problem of finding someone to replace me. As for the moment he was at a complete loss, and as I remained firm he finally proposed: "If in two months time you come to me and still say you want to resign then I will place no further obstacles in your way." I agreed at once, happy to think that I now had my resignation in my own hands. His one condition that I should still remain a Minister without Portfolio so that he could continue to have my advice, I naturally could not reject. It is hardly necessary to say that he never came to me for any advice.

I had hardly left his presence after this discussion—the crocodile's tears could hardly have dried—when he began to abuse me to his retinue. At the Nuremberg proceedings, Speer, who happened to have been present at the time, gave the following description of the scene:

"I was on the terrace of the Berghof at Obersalzburg waiting for an opportunity to present my building plans. It was in the summer of 1937 and Schacht was there. While I was waiting on the terrace I heard a loud discussion between him and Hitler coming from Hitler's room. Hitler's voice rose to a very high pitch. When the discussion was over Hitler came out on to the terrace in an obviously excited mood, and declared to those around him that he could not work with Schacht. He had, he said, just had a serious argument with him. Schacht with his finance methods would disturb his (Hitler's) plans." I did not learn about these remarks until the Nuremberg Trial. They dovetail quite neatly with those embodied in his secret memorandum on the Four-Year Plan.

The more Hitler recognized in me his deliberate opponent the colder and more hostile he became. He regarded me as an obstacle in his way, a stumbling-block to his extravagant expenditure, his reckless exploitation of Germany's resources, his uneconomic production, his excessive armaments and his flouting of the feelings and interests of all neighbouring peoples. From the beginning I had been an object of suspicion to the party as a Democrat, a Freemason and a publicly confessed Christian. In the first years of his Chancellorship Hitler had defended me against all such attacks made on me by the Party. Now that had altered. Wider Party circles began to be aware of my direct opposition to Hitler's plans and his growing annoyance at it. I now began to be generally regarded as an enemy of the Party. The S.S. and the Gestapo kept me under closer observation. Even at the beginning of 1935 I had begun to suspect that I was being spied on in my own home either by a concealed microphone or by someone in my employ. I called in an expert on such technical

matters, a man I could trust, and he discovered that one of my servants had a line laid into her bedroom which enabled her to listen in to all conversations on my house telephone, which no doubt were regularly reported to the Gestapo.

In December, 1937, the United States Ambassador Dodd, who was well disposed towards me, came to see me to warn me that an attempt on my life was being planned by the Gestapo. The Gestapo Chief Ohlendorf gave evidence at Nuremberg to the effect that I was regarded as an enemy of the Party from the years 1937–38 onwards at least.

I did not allow any of this to interfere with my decisions. As soon as the two months were up I wrote to Hitler and informed him that I had not changed my views. As a preliminary measure I had taken leave of absence from the Ministry on September 5th, 1937, and since then I had not set foot in the place. Despite what he had said, Hitler made another attempt to harness me up with Goering. At a meeting with Goering, which Hitler had arranged, we once again discussed all our differences of opinion, naturally without result. Goering was much too insistent on his superior position, and finally he said: "But I must be able to give you instructions," whereupon I retorted dryly: "Not me; my successor perhaps."

For the time being this successor was Goering himself. It is a fact that Hitler was unable to find anyone amongst his Party comrades who would have been a suitable candidate to entrust with the Ministry in the eyes of the public. When Goering first entered my office in the Ministry it was reported to me that he exclaimed: "How can a man have big ideas in such a small room!" It was possible, Herr Goering; it was possible! After that exclamation he sat

down at my desk, picked up the telephone and asked to be put through to me; then he announced triumphantly: "I am now sitting in your chair."

If anyone expected administrative affairs to be simplified by the amalgamation in Goering's hands of the two offices, Four Year Plan and Ministry of Economics, he was soon disappointed. The whole staff of the Four Year Plan was simply attached to the Ministry of Economics, and the constant battle between the various departments went on as before. The better elements in the Ministry were pushed into the background. Everyone who had the chance beat a retreat into the business world. The nazification of the Ministry was now completed. The more pliable characters quickly came to the top by a rapid adaptation to the National Socialist 'ideology.' The former Ministerial Counsellor Sperl has given us a protocol account of this transition which is at once amusing and depressing: "Herr Dr. Posse, who had been Departmental Chief under Dr. Schacht throughout his term of office, now declared himself a National Socialist in his speech of welcome to the new Minister Goering. The Ministry was proud, he declared, to have at last come under the leadership of one of Hitler's old tried and trusted Party comrades, a man who had been closely connected with him since the beginning of the movement and had proved his worth in high office by performing important tasks: under his leadership it would now guide the economic system of Nationalist Germany. There was no word of thanks to Dr. Schacht and not the least mention of his work and achievements in the Ministry. Fulsome praise of Goering and silence about Dr. Schacht! Dr. Schacht's right-hand man at the Ministry for so many years could hardly have made it clearer that his former

chief had not been National Socialist and that his work was not regarded as having been in the interests of National Socialism."

It was only in February or March of the following year, 1938, that Hitler finally decided to appoint a new Minister of Economics, and his candidate was Funk, the former economic editor of the *Berliner Boersenzeitung*, who had joined the National Socialist Party after leaving the paper in 1931. Up to then Funk had been Departmental Chief in the Propaganda Ministry under Goebbels, where he had attended to matters connected with films and other politico-cultural affairs. He was not an unintelligent man, but over complaisant. His real talents lay in the musical sphere and music was one of his chief interests. Most of his friends and acquaintances were actors and actresses on stage and screen, or musicians. He willingly subordinated himself to Goering and never put forward ideas of his own, though in reality his political and economic outlook was more liberal than National Socialist.

The formal retention of my ministerial position as a Minister without Portfolio was naturally a burden to me, but at least it still gave me a certain protection against the attentions of the Party. Nevertheless, on many subsequent occasions I tried to free myself from this formality. This, however, was not possible without the signature of the Reich's President, which Hitler refused categorically. In the summer of 1942, together with other Ministers, I was informed that henceforth I was forbidden to listen to foreign broadcasts. I protested against this order but without success. Whereupon I again wrote to Hitler asking him to allow me to resign my ministerial position altogether, pointing out that the prohibition represented a vote of no-confidence either in my intelligence or my

loyalty, and, whichever it was, it was not consonant with my retaining my position as a Minister of the Reich. My hope that Hitler would at least recognise the cogency of such an argument was disappointed; my request to be permitted to resign was rejected and the prohibition against my listening to foreign broadcasts was maintained.

The Nuremberg indictment expressed the unworthy suspicion that I had retained my position as Minister for reasons of financial advantage. When I was under arrest in Nuremberg, and unable to defend myself, my name appeared in the newspapers in a statement which could only have been based on material from Government sources. This statement gave the incomes and the financial resources of various prominent people. Two things were noticeable in the information given about me: in the years 1932 to 1941 inclusive my resources were seen to have increased by only .5 per cent, whilst 1942 showed a big increase. This increase was caused by the fact—not indicated in the statement—that war profits tax had not yet been deducted from the income on my industrial holdings. However, the general public was not told this and the poison sank in.

I have never aimed at securing great wealth, but merely at obtaining financial independence so that I should never have to sacrifice the welfare of my wife and children to my convictions. When I took over the office of Reich's Currency Controller in 1923 I gave up a highly-paid position as Managing Director of a big bank to take the low salary of 400 marks a month as a State official. My salary as President of the Reichsbank was fixed in 1924 by a commission of the Dawes Plan Committee. It was a considerable one, but I sacrificed it without hesitation when I found myself in conflict with the government's financial

policy in 1930 and resigned my office. When I was invited to become President of the Reichsbank again in 1933 Hitler asked me to fix my own salary. The obvious thing to do would have been to fix it at its former level, but instead I voluntarily fixed it at a figure 30 per cent lower. I never drew a double salary as Minister of Economics and President of the Reichsbank, and, in fact, this would have been contrary to existing legal provisions.

My retirement from the Ministry of Economics was the second big reverse I suffered. I had been deprived of the initiative and driven on to the defensive. However, I was unwilling, and even unable, to give up the struggle. Although I had not succeeded in guiding Hitler's policy into reasonable channels, perhaps I might yet contrive to prevent its going entirely off the rails. The fact that I believed that Hitler's tendency to violence was growing was all the more reason for me to make at least the attempt. Hitler seemed incapable of waiting for things to mature in the ordinary course of nature. He always wanted hot-house conditions. He was temperamentally quite unsuited for patient negotiation by methods of persuasion. For him diplomacy meant not the marshalling of reasons, the exposure of errors, the presentation of advantages and the balancing of interests, but the comparison of power factors, the calculation of strength and weaknesses, the playing of unexpected trump cards, the exploitation of momentary superiority, and so on. The danger implicit in this aspect of Hitler's character became more and more obvious as time went on.

At least I was determined to do whatever I could to prevent the pursuit of a dangerous policy. I was unwilling to surrender any ground voluntarily and before it was necessary. When my four-year term as President

of the Reichsbank came to an end in March, 1937, I made my agreement to a re-appointment conditional on the ending of the Mefo-bill credit-scheme, which by that time involved a sum of nine milliard marks. As I had not been successful in restricting the rate and extent of Germany's rearmament to reasonable limits, I now hoped to put on the brake by throttling down financial supplies. It is true that I had no exact and accurate picture of the level that rearmament had already reached, as the figures were carefully kept from me, but I had a feeling that it must soon be high enough, and I realized that excessive armaments would constitute a danger to peace. It was these considerations which caused me to make my acceptance of a re-appointment as President of the Reichsbank conditional on the ending of Mefo credits. Incidentally, this was done only four weeks after Hitler had handed me, together with all other Ministers, the Nazi Party's golden badge of honour. Hitler was not prepared for my ultimatum and he complained that it was an impossible thing for me to place him suddenly in such an awkward position. Twice I sent back Lammers, the Director of the Reich's Chancellory, with the document re-appointing me President of the Reichsbank, together with my refusal.

Finally we agreed to compromise. I accepted re-appointment, but not for the usual period of four years. I was to be appointed for one year only on the understanding that if by the end of that time Hitler had not agreed to end Mefo credits, I should definitely leave the Reichsbank. Upon this condition I declared myself prepared to grant a further credit in the sum of three milliard marks. If, on the other hand, Hitler agreed to my condition with regard to Mefo credits, then I would accept the usual four-year term when the trial year was up. This

agreement was kept. The Mefo-credit system reached its peak on March 31st, 1938, with a total of twelve milliard marks and then came to an end, after I had succeeded in winning the War Minister, who was by this time von Keitel, and the Finance Minister over to my point of view. With this I hoped to have set limits to our rearmament, and it was with much greater peace of mind that I then agreed to my re-appointment as President of the Reichsbank for a further period of four years.

As the evidence of Colonel-General Jodl at the Nuremberg trial showed, my estimate of the state of our rearmament was more or less correct. Under cross-examination by my counsel, Jodl answered a question concerning the state of Germany's armaments on March 31st, 1938, by declaring that at this time there were not more than twenty-seven or twenty-eight divisions on a war footing in both man-power and material, including one armoured division, a cavalry division and a mountain division. The remaining armoured divisions had not yet received their equipment at that time and consisted only of cadre units. The verdict of the court on me subsequently contained the significant passage: "If the policy supported by Schacht had been carried out in practise, then Germany would not have been prepared to wage a general European war." Thus for the moment I had cause to be satisfied with the success of my open resistance.

The resistance offered by the Reichsbank was the only resistance openly put up by any official body or office. The fact that it was successful makes one wonder what could have been achieved if other bodies had done the same. If the example of the Reichsbank had been followed in other quarters and if it had been paralleled by similar action on the part of other bodies, Hitler would not have

found it so easy to ride rough-shod over the objective resistance of several departments as he found it to oppose myself and the Reichsbank when it became apparent at a later date that we stood entirely alone.

Chapter Five

THE THWARTED COUP D'ETAT

SHORTLY after this period events occurred which contained within them the seeds of the subsequent catastrophe, as I was compelled to recognize in the course of the months that followed. The central happening was the Fritsch affair. What actually happened in connection with the Blomberg-Fritsch crisis has been dealt with in such detail in the book *To the Bitter End* by Gisevius, that I need touch upon it only briefly here.

For months those who thought as I did had been expecting some sort of a coup against the Reichswehr on the part of the S.S. But it was many weeks before we began to realize just how base and vile was its nature. The War Minister, von Blomberg, had been allowed to plunge into a hasty marriage with a woman who had been registered with the police as a prostitute, and suddenly the Commander-in-Chief, von Fritsch, was accused, against all better judgement, of homosexuality. The former had to resign his office in the customary way, but the latter was recalled by Hitler without any legal investigation into the charge. It must remain an open question how far the whole thing was an intrigue of Himmler and Goering, and how far Hitler had knowledge of the details. In any case, there was method in the affair, and Hitler took advantage of the intrigue. In all probability he knew everything.

A meeting of the Reich's Cabinet was called on February 4th, 1938. At that meeting Hitler declared that the

Commander-in-Chief of the armed forces, Colonel-General Fritsch, had unfortunately been guilty of an indictable offence and had therefore had to be removed from his high office. At the moment he was not in a position to give any details. The point of this observation was to prevent any questions. The Minister of Justice was present, but he did not say a word. The meeting was all over in a few minutes. It was the last meeting of the Cabinet that ever took place. There was never any attempt to rehabilitate Fritsch in the Cabinet even after his acquittal by a court martial of the charges brought against him. With this episode the already greatly damaged prestige of Germany's professional soldiers sank to zero.

In the course of the next few days we gradually found out what it was all about, but it was several weeks before we discovered the full details of the intrigue. First of all, Hitler tried to smother the whole affair by carrying out a sort of general post amongst his Ministers. The whole matter would not bear the light of day and he was therefore anxious to keep it dark. Blomberg was replaced by Keitel, and Fritsch by Brauchitsch. A whole series of generals, and in particular those who were unwilling to abandon their old traditions, were placed on the retired list. The German Ambassador in Vienna, von Papen, was recalled, and, most important of all, the Foreign Minister von Neurath had to resign, his place being taken by Hitler's confidant, von Ribbentrop. Hitler hoped to veil the scandal by this great reshuffle, and with the uninitiated he succeeded. When subsequently the officer corps succeeded in obtaining an inquiry by court martial into the allegations against von Fritsch, thanks largely to the zeal and insistence of the Chief of the General Staff,

Colonel-General Beck, the evidence not only completely cleared the accused soldier, but also revealed the deliberately false witness borne by his Gestapo accusers. The necessity for hushing this up contributed very greatly to Hitler's decision to rush the question of Austria's Anschluss to a premature solution.

The whole affair caused the abyss to open up before our eyes. I say 'our', because the events of February, 1938, caused many people who thought the same way about things to draw closer to each other, and in particular those who up to then had still hoped to be able to turn the political trends in the right direction, and who, on account of this hope, had continued to work in the service of the people and the State, sacrificing their own peace and security to the exhausting and dangerous work of public office. Goerdeler, who had held the important post of Price Controller in the first years of Hitler's reign, was one of these; Popitz, who was still Prussian Finance Minister, was another; von Hassell, who was Hitler's Ambassador in Rome up to 1938, and who camouflaged his active opposition right up to 1944 by repeatedly broadcasting over the Reich's Rundfunk network, was a third; and there were many others, all of whom, with very few exceptions, lost their lives after the failure of the attempt against Hitler's life on July 20th, 1944. We all realized now that the leadership of the German Reich had fallen into the hands of common criminals. And side by side with this terrible realization rose the still more terrible spectre of war. The dismissal of Blomberg, Fritsch and von Neurath could have only one significance: a determination to get rid of all moderate political and military elements. The removal of my influence from the control of

Germany's economic policy fitted accurately into this ominous picture.

We had always considered it necessary to keep our foreign friends quite frankly informed concerning internal political developments in Germany. This was now of particular importance. When Dr. Goerdeler resigned his office as Lord Mayor of Leipzig as a protest against the barbarous attitude of his town councillors, Herr von Bohlen, senior partner of the firm of Krupp, offered him a position as head of the finance department of the Krupp A.G. However, this offer did not meet with Hitler's approval, and therefore, as a sort of compensation for the position he was unable to accept, Goerdeler was asked if he would undertake certain important business abroad for von Bohlen and send back reports to the firm. In agreement with us, Goerdeler accepted and used the opportunity to get into touch with foreign friends abroad and discuss our situation. I gave Goerdeler a number of introductions to such friends, both in neutral and in what subsequently became enemy countries. Goerdeler made good use of these journies abroad. Unfortunately he did not always take sufficient precautions. After his return he came to me one day and told me that the Gestapo was hard on his heels. One of the persons he had talked to in London must have been indiscreet, and in this way the Gestapo had got to hear about his London discussions. Fortunately, I succeeded in approaching my friends in London in time so that at the last moment the danger was averted.

From this period the loose relations between the patriots began to take on a more definite form. We began to discuss what other means we could adopt to prevent a development against which reason could do nothing.

It meant that we now had to be more cautious than ever, to camouflage ourselves even more completely. We had all been under suspicion for a long time. In 1938 I therefore began to use National-Socialist phraseology more freely in my speeches, and the Austrian Anschluss and other Hitlerian foreign-political successes, offered the opportunity. Ordinary, unsuspecting people cheered enthusiastically when the wish of the Austrian people for Anschluss with the Reich, repeatedly expressed during the previous twenty years, was at last fulfilled. In the general rejoicing the disagreeable way in which the Anschluss had been brought about received little attention.

Naturally, both in the Nuremberg and the Stuttgart proceedings, these National-Socialist phrases were brought up and used in evidence against me. But I was compelled to use some such camouflage to turn the attentions of the Gestapo away from me or I should have lost all freedom of action in the future. The necessity to camouflage my real feelings and intentions was greater than ever before. A political conspirator must work in secrecy and cannot be expected to betray his intentions publicly by carelessness or neglect. The following dialogue demonstrates how short-sighted and unreasonable the indictment was on this point.

"Mr. Justice Jackson: 'You also attempted to find murderers to murder Hitler? '

"Schacht: 'In 1938 when the first attempt was made by me, I had not yet thought of murdering Hitler. However, I must certainly admit that later on I said that if there was no alternative we should have to get rid of him if possible.'

"Mr. Justice Jackson: 'Didn't you say, "I must kill him," or did you say, "Someone else must kill him"? '

"Schacht: 'If I had had the opportunity I would have killed him myself. I must, however, ask you not to bring me before a German court charged with attempted murder, for I am naturally guilty in that sense.'

"Mr. Justice Jackson: 'Whatever your activity was, it was never sufficiently open, so that even in the foreign files in France, which you said had been examined by the Gestapo, there was nothing.'

"Schacht: 'True, I couldn't put an advertisement before-hand in the newspapers about this matter.' "

Whoever makes up his mind to follow the dark path of the conspirator should have one capacity above all others: he should be able to keep his mouth shut, even among his nearest friends. And, in addition, he must always reckon on having to say or do things which are not in accordance with his real opinions and intentions. Naturally, in this he runs a risk of his own comrades and others sometimes misunderstanding and doubting him. I, too, have had to suffer in this respect. When to-day, for instance, I read things said by Goerdeler or Ulrich von Hassell and published posthumously, they are all due to the belief of these men that I had not sufficiently taken them into my confidence. That belief was correct. I did not take everyone into my confidence. I certainly maintained direct or indirect contact with all the resistance groups against Hitler, but I belonged to no 'circle', neither the Goerdeler circle, nor the Moltke circle, nor the Solf circle: I was my own 'circle'. That may sound arrogant, but it was thanks to this attitude that I was able to work ceaselessly against Hitler from 1938 to 1944. A conspiracy which is discovered too soon is senseless. In fact, it is harmful. It may be very heroic, but it defeats its

its own purpose. The aim of a conspirator is not to get rid of himself but of others.

I owe it only to my own reticence that all the material against me proved insufficient to justify my trial before the so-called People's Court. From the beginning of 1943 I deliberately avoided any talks with Goerdeler because he was rather over-busy for my liking. I kept my name off all the so-called 'Cabinet Lists' and so on. Everyone knew that I was there and that my services would be available if necessary, but it seemed senseless to me to make solemn ministerial appointments so long as Hitler had not been disposed of. It is certainly only an accident that, although I was politically under the deepest suspicion, I was not killed; but neither was I brought to trial and sentenced. I owe my life to this fact and to certain fortuitous last-minute circumstances. On the other hand, the examinations of members of the Solf, Moltke and Goerdeler circles made whole bundles of legal documents and almost all of them lost their lives. Only a lack of reticence, the eternal urge to confide in someone, the itch to draw up plans for the future of the State and the Government, and to distribute posts and offices, were responsible for the fact that the proceedings against these various 'circles' involved such a shockingly large number of people in agonizing investigations which finally cost them their lives.

I never made notes; I kept no diaries; I drew up no lists and drafted no secret memoranda. In consequence no one was ever compromised by me. When in the year 1942 one of the conspirators proposed to read to me an 'Appeal to the German People', which began with the words "Hitler is dead", I suggested that he should postpone the reading until after the event. However, to-day,

now that it has become the fashion to publish fleeting impressions and sketchy notes containing character judgements from the literary remains of those who are dead concerning those who are still living, I should like to say a word in praise of all those dead victims who sacrificed themselves from deep love of their Fatherland, from human decency and from a strong feeling of moral responsibility. No mistakes and no weaknesses are great enough to overshadow their courage or lessen the nobility of their aims.

The Austrian Anschluss represented an enormous diplomatic success for Hitler. With growing astonishment we were compelled to observe that his insolent bluff led him from success to success. Referring to these years a Swedish statesman once declared to a non-German audience: "You profess surprise that the German people put up with Hitler's reign of terror, but you foreigners let yourselves be terrorised by him in exactly the same fashion, although you were not as defenceless as the German people." Foreign countries fell over each other in their eagerness to recognize what Hitler had done, and showered honour after honour upon his head. If I briefly enumerate only the official personalities who arrived in Berlin up to the conference of Ministers in the autumn of 1938, the list will be an imposing one. There were the British Ministers Sir John Simon and Anthony Eden, the Minister for Air, Lord Londonderry, and the Foreign Secretary, Lord Halifax. Then from the United States came the Under-Secretary William Phillips; from France the Minister for Commerce, Bastide; from Poland the Foreign Minister Beck; and from Yugoslavia Minister President Stoyadinovitch. These were all representatives of powers which subsequently became hostile. I will not

list the visits from Italy, Japan, Roumania, Bulgaria, and Hungary. And apart from the official representatives many prominent statesmen also arrived unofficially, including former or future ministers, such as Lloyd George and Lord Lothian from Great Britain; Mackenzie King from Canada; Menzies from Australia; and many others. Between them they gave Hitler a prestige in the eyes of the German people and the world in general such as Wilhelm II had hardly enjoyed.

It was quite clear to me that any violent coup against the Hitler regime could be carried out only with the assistance of the armed forces. For one thing, Hitler's popularity had become greater than ever before thanks to his diplomatic successes. And then Hitler's praetorian guard, led by Himmler, was composed of men who were well armed and would certainly fight for him with the greatest determination. As early as 1937 I had begun to put out feelers with a view to discovering what army officers held similar views to those of our group, and now, with even greater energy, I set about discovering what generals could be relied upon to take action.

I found one in the person of General von Witzleben, Commander of the Berlin Military District. In collaboration with a few friends, including Gisevius; Halder, Chief of the General Staff; and von Brockdorf-Rantzau, Commander of the Potsdam Division, a plan was worked out for a coup d'état under the military leadership of von Witzleben, and our preparations began.

General von Witzleben was a fine officer, an upright man, a gentleman both by birth and education, and more a corps commander than a general-staff man. He loathed the clumsy semi-illiterate Hitler as an interloper into a sphere for which he lacked both tradition and character.

He was the first General to recognize the necessity of getting rid of Hitler, and the most steadfast in his determination to do so.

In the course of weeks of discussion we jointly decided on the buildings and the areas which were to be occupied by the military. The deployment of the troops and their location, in particular that of armoured units, was prepared in co-operation with von Brockdorf-Rantzau. The circle of those in the know was kept as small as possible. General Halder, Chief of the General Staff, was won over to our side by zealous efforts on the part of von Witzleben and myself. All problems concerning the future composition of the Government were left open for settlement later. No attempt at Cabinet building was made and no other appointments arranged. To have done so would have merely meant unnecessarily and dangerously extending the circle of our accomplices. It was quite clear to us that in the first few days after a successful coup d'état there could be no question of anything but a purely military regime; but, as soon as possible afterwards, a parliamentary government was to be formed on the basis of general elections. The programme of the new government was to be peace abroad, the abolition of the regime of brute force and tyranny at home, and the restoration of the constitutional rights of the citizen.

At this point I must interpolate a few words about the personality of Halder. At this first attempt to overthrow the regime he seemed relatively determined. Although he chose his words very carefully in all our discussions, I must place it to his credit that in the summer of 1938, obviously under the influence of Beck, he came to me to discover whether I would be prepared to place my services at the disposal of a new anti-Hitler government.

Unfortunately the subsequent course of events repeatedly disappointed our hopes that he would remain firm and act with determination. He was certainly an upright Christian with a great pride in the long military tradition of his family. He was far from enthusiastic about Hitler's intentions and his methods of carrying them out, but unfortunately he had none of the consistency which characterised his predecessor in office, General von Beck. He was not of the same calibre at all, and fundamentally his character was weak and sentimental. He was aware of his own weaknesses and distressed by his inability to master them, despite occasional bursts of firmness.

The inner uncertainty of von Halder can be seen from the report he gave to my counsel in Nuremberg concerning my share in the attempted coup d'état in the autumn of 1938: "Shortly after I had taken up my post in September, 1938, President Schacht visited me one evening at the instance of General Oster, who also came along, together with Dr. Gisevius. I knew Herr Schacht's views, but I had never met him before except at official functions. I did not know Herr Gisevius at all. President Schacht lost no time in getting to the heart of his business, and he declared roundly that Hitler must be put out of the way. I was astonished at Herr Schacht's vehemence. As I did not know Herr Gisevius I adopted a reserved and evasive attitude for the time being. I declared that I was not a politician. The disposal of Hitler was a negative act, and thought would have to be given to what was to follow it. . . . A few weeks later I returned Schacht's visit. Our conversation naturally turned towards the question of a coup d'état. I told Schacht that in view of the atmosphere which had been created by Munich the situation had so changed that our plans to overthrow Hitler would have

to be postponed. However, I agreed with him that it was necessary for those who thought as we did to keep in touch with each other, as the necessity to take up the question again would arise later."

Although this statement is incomplete and although he describes his first visit to me as 'official' I have nevertheless reproduced it here because it characterises Halder's nature and confirms the detailed account given by Gisevius in his book.

Halder's report to my lawyer at Nuremberg concerning the part von Witzleben played in the attempted coup d'état reads as follows: "In September, 1938, I took office as the successor of Colonel-General Beck. Shortly afterwards Witzleben visited me and informed me that he was preparing a violent solution. This did not mean that any plans for political assassinations were included, but that the troops under Witzleben, who was the Commanding General in Berlin, would occupy the War Office and the Party offices and seize the most important leaders of the Party. After that, under the protection of the armed forces, the German people were to be given an opportunity to form a new government. . . . On the day after the evening discussion with Schacht, Witzleben came to see me again. I had just received the news that Hitler had unexpectedly arrived in Berlin. Witzleben then demanded: 'Right. Then do I get the signal from you to strike or not?' Whilst we were still discussing how long it would be before the final preparations were completed, our talk was interrupted by the news that Chamberlain had announced his intention of going to visit Hitler. That put an end to our plan."

Gisevius, who was a witness at Nuremberg, gave much more exact details on the basis of diary entries made at the time; they agreed in all important points with Halder's

version, which was given only from memory and without written notes. According to Gisevius, Colonel-General Beck established relations between me and his successor, Halder, who was described by Beck as having quite made up his mind to take part in a coup d'état. In reply to General Halder's question, General Oster mentioned my name and that of Goerdeler as civilian leaders. Halder had not met Goerdeler at that time and he considered him to be too deeply under suspicion. He therefore conferred with me. It was after this that the discussions described by Halder took place. What Halder's version does not indicate, and what, in fact, he did not know of, was my close co-operation with Witzleben. Giving evidence at Nuremberg, Gisevius described the critical discussion between Witzleben and myself as follows: "Thereupon Witzleben asked a question which every General asked us at the time: whether it was true that war would break out as the result of a diplomatic incident in the east, or whether it was true, as Hitler and Ribbentrop repeatedly told the Generals in confidence, that there was a gentlemen's agreement with the Western Powers which gave Germany a free hand in the east. Witzleben said that if such an agreement really existed then, of course, he could not strike. I told Witzleben that Schacht with his sound knowledge of the Anglo-Saxon mentality would undoubtedly be able to give a comprehensive answer to the question. A meeting between Schacht and Witzleben was arranged. Witzleben came with his Divisional General, von Brockdorf, whose task it was to carry out the coup in all its details. Witzleben, Brockdorf and I went together to Schacht's country house where our discussion lasted for hours. In the end Witzleben was quite convinced by Schacht that the Western Powers would under

no circumstances allow Germany a free hand in the east and that, in fact, Hitler's policy of surprises was now at an end."

Gisevius described the final phases of the preparation of the coup d'état and the intervention of foreign statesmen as follows: "On September 27th it was clear that Hitler was prepared to stake everything. In order to give the German people an appetite for war he ordered a parade of the Berlin troops through the capital. It was Witzleben's task to carry this out. The parade had quite the contrary effect to the one intended. The population, who assumed that the troops would soon be marching off to war, openly showed their disapproval. The troops were welcomed not with enthusiasm, but with clenched fists, and Hitler, who had watched the parade from the window of the Reich's Chancellory, fell into a rage, turned away from the window and declared: 'With a people like that I can't wage war.' Witzleben came back indignantly and declared that he had felt very much inclined to unlimber there and then directly in front of the Chancellory. The next morning—it was the 28th—we believed that the moment for carrying out the coup had arrived. That morning we heard that Hitler had refused the final offer of the British Prime Minister, Chamberlain, and sent Wilson, his mediator, home with a negative answer. Witzleben obtained a copy of this letter and went with it to Halder. He believed that with this letter we now had proof of Hitler's intention to go to war. Halder agreed with him. Halder then went to Brauchitsch whilst Witzleben waited in his room. After a few minutes Witzleben returned and declared that Brauchitsch, too, now realized that the hour had come for action. He just wanted time to go over to the Reich's Chancellory and assure himself that the details given by Witzleben and Halder were cor-

rect. Brauchitsch went off to the Reich's Chancellory after Witzleben had again assured him by telephone that everything was ready. And this was that midday hour of September 28th at which suddenly and unexpectedly Mussolini's intervention took place at the Reich's Chancellory, and Hitler, under pressure from Mussolini, agreed to go to Munich, so that literally at the last moment the action was prevented."

It is quite clear from the later course of history that this first attempt at a coup d'état by Witzleben and myself was the only one which could have brought a real turning point in Germany's fate. It was the only attempt which was planned and prepared in good time. The war had not yet begun and the chances of arriving at a settlement in peaceable discussion with our European neighbours were very bright. One year later Germany was at war, and that made any military participation in a coup d'état infinitely more difficult. It was for this reason that all later attempts dragged on interminably. They were almost impossible as long as Hitler still seemed to be winning victories, and once the military situation had turned against Germany they had no chance of bringing about any satisfactory solution. In the autumn of 1938 it was still possible to count on bringing Hitler to trial before the supreme court, but all subsequent efforts to get rid of him necessarily involved attempts on his life, that is to say, murder. From 1940 onwards I worked for such a solution, but at least I had the inner satisfaction of knowing that I had previously done all I could to make such a thing unnecessary: I had made preparations for a coup d'état in good time and I had brought them to within an ace of success. History had decided against me. The intervention of foreign statesmen was something I could not possibly have taken into account.

Chapter Six

AGAINST THE WAR

THE revelations at Nuremberg, which showed that Hitler was determined to go to war, also make it clear that if the coup d'état planned against Hitler in the autumn of 1938 had been successful war would have been averted. The so-called Hosbach protocol of November, 1937, which was brought forward in evidence, very much surprised most of the accused. According to this protocol it was then that Hitler explained his future foreign-political plans to a small group of his closest collaborators for the first time. They amounted to a war of aggression in the east. Goering, Raeder, Fritsch, Blomberg and Neurath were all present at the Hosbach meeting. And then once again something quite incomprehensible happened. Hitler made each of those present promise absolute secrecy, and told them that he would under no circumstances inform the Reich's Cabinet. Those who had been present stood by their promise to him and kept his information secret. The murderer—for such a war could only result in Germany's death—let his accomplices into the secret of his intentions and made them promise to keep silent, and they did so. Did they feel that their honour as gentlemen was at stake in face of such a signal mark of Hitler's confidence or were they mad?

One way or the other, the men who were present at this meeting take their place in the long line of those guilty men who were responsible for Germany's disaster. This

line of guilt is becoming more and more clearly recognizable. The first link in the chain was forged by the failure of the democratic governments to rule Germany efficiently before 1933. That, of course, was no crime; merely incompetence. Guilt begins with the responsibility of the political parties which cleared Hitler's way to despotism by presenting him with the Enabling Law. It was continued in the Reich's Cabinet by those Ministers who passed all those laws and decrees which established Hitler's totalitarian authority. And now we must add to the list the names of the men who kept Hitler's admitted war intentions a secret from their colleagues and comrades, instead of working to bring all forces together to ward off the impending disaster. It is possible that disagreement with Hitler's war plans made Neurath welcome the opportunity to withdraw from the Foreign Office three months later, and caused Fritsch to waive his reinstatement in office, but nevertheless these silent evasions of the decision were serious sins of omission against Germany.

My personal relations with Fritsch, Neurath, Raeder and Blomberg were of such a nature that any one of them might easily have given me some hint of what had happened at the Hosbach meeting. No such hint was dropped. Gisevius and I began our preparations for a coup d'état ten months later without an inkling that Hitler had already expressly stated his warlike intentions. Well-founded suspicion of these intentions was enough to make us act. How much more effective our action could have been if we had known for certain. No matter how great Hitler's popularity, it would not have saved him if we had been in a position to lay the proofs of his warlike intentions before the people. The German people did not want war.

The intervention of Chamberlain and Daladier completely frustrated our plans. Together with my accomplices I was now in the disagreeable situation that in the future any indiscretion or mishap, no matter how accidental, could reveal us as guilty of high treason, and that could mean only death. However, that did not discourage me.

The pogrom against the Jews which took place on November 9th, 1936, reinforced my indignation and determination. As long as I had been in charge of the Ministry of Economics no measures had been taken against the Jews in the economic sphere, but after my withdrawal the persecutions began, and on November 9th, the whole brutality of the Minister of Propaganda, Goebbels, was let loose in arson and riot. A few days after that came the confiscation of Jewish property. A decree was issued excluding the Jews from Germany's economic life. Soon afterwards I found an opportunity to make my views on this crime public. Every Christmas it was my custom to be present and to speak at a celebration organized at the Reichsbank for the office boys. The parents of the boys, numerous members of the Nazi youth organizations, and representatives of the *Gauleitung* were always present. During my address at the 1938 celebration I referred to the happenings of November 9th. I declared that such brutalities must make every decent man and woman blush for shame. "I hope," I went on, "that none of you present here had any hand in the affair. If anyone of you did, I can only advise him to get out of the Reichsbank as quickly as possible. People who have no respect for the lives and property of others are not wanted here." Naturally these observations spread like wildfire, not only through the Party, but also amongst the general public.

Nor did I omit to approach Hitler himself in the matter. I pointed out to him how reprehensible such actions of the Party were, and I suggested that he should grant those Jews who wished to leave Germany the opportunity of formal emigration so that they might at least have the chance of building up a new existence for themselves abroad. Hitler allowed himself to be persuaded by me and agreed to a plan which I drew up for the purpose. At my suggestion he even let me go to London to discuss it in the proper quarters there. Thus at the beginning of December, 1938, I arrived in London and presented my plan to Lord Bearsted, of Messrs. Samuel and Samuel, Lord Winterton and the U.S. representative, Mr. Rublee. The plan was to abstract a sum of a milliard and a half marks from the proceeds of confiscated Jewish property and to place it under the administration of an international committee whose members were to include leading Jews. Against this security international Jewry would float a loan to finance the migration of German Jewry. The repayment of the loan was to be made in twenty or in five and twenty annual instalments, whereby Germany would undertake to provide whatever annual sum was necessary in foreign exchange. The plan was received sympathetically by those to whom it was presented but it came to nothing when, a few weeks later, Hitler removed me from the Presidency of the Reichsbank.

It was the development of the Reich's finances in 1938 which led to my dismissal. Hitler had apparently given his word to end the Mefo-bill system only as a way out of a temporary embarrassment. Clearly, he had not the faintest intention of drawing the logical financial and political consequences from his promise. He continued

his expenditure on armaments and even increased it, without taking into consideration the fact that a sum of approximately three milliard marks which had been contributed annually by the Reichsbank was now no longer available. At the same time the revenue side of the Reich's balance of payments had developed most promisingly. My assumption that increased Public Works would mean increased revenue for the Reich had been brilliantly justified. In the taxation year 1933–34 Reich revenues had amounted to 6·8 milliard marks. In the taxation year 1938–39 they had increased to no less than 17·6 milliard marks.

Now whilst budgetary developments were thus very satisfactory, the situation on the monetary and capital market had become tighter and tighter owing to heavy demands. During the course of 1938 the Reich had had recourse to the loan market on no less than three occasions, and on the third occasion the bank consortium involved had found itself with a good part of the script left on its hands. It proved impossible to place the loan amongst investors to the full sum guaranteed by the consortium, and for the time being several hundred million marks worth of script remained unsold. That did not prevent Hitler from still further increasing his expenditure on armaments, and as the Reich's Finance Minister allowed himself to be carried along without resistance, by the end of the year he found himself in financial difficulties. In this situation he turned to the Reichsbank for a special credit. The Reichsbank refused to grant it and the Finance Minister had no alternative but to apply to the private banks for a short-term credit. Although they still held unsold script of the last loan these banks nevertheless granted him the required credit.

This totally irresponsible finance policy could not, unfortunately, fail to have its effects on the Reichsbank itself. In order to raise sufficient fluid capital to permit them to grant the credit asked for by the Finance Minister, the private banks came to the Reichsbank to discount the Mefo Bills they were holding. With this the danger which the Board of the Reichsbank had always foreseen, a danger which could have been avoided with a sounder finance policy, that is to say, by limiting expenditure, became acute. The Mefo Bills which were now in the hands of the Reichsbank necessarily caused an increase in the volume of bank-notes in circulation.

However, we in the Reichsbank still regarded developments with some confidence as we had succeeded in bringing the issue of Mefo Bills to an end on March 31st, 1938, and the first of such bills, those issued in 1934, would mature in 1939 at the end of their total five-year period of validity, when they would come up for repayment by the Reich. The total sum of Mefo Bills which would have to be met in the course of 1939 was about 2·5 milliard marks. As a result of these repayments, which the Reich's Budget was in a position to meet comfortably owing to the considerable increase in Reich revenues, a considerable easing of pressure on the money market should result, and in consequence a reduction in the volume of bank-notes in circulation. As far as the Reich was concerned, of course, this necessity to repay the Mefo Bills meant that the total sum involved would not be available for other expenditure. Owing to the necessity for repaying the Mefo Bills as they matured, expenditure on armaments would have to be correspondingly reduced.

Field-Marshal von Keitel gave evidence under oath at Nuremberg concerning the total amounts spent on armaments in the years before the outbreak of war. According to his evidence total armament demands in the budgetary year from April 1st, 1937, to March 31st, 1938, amounted to nine milliard marks, of which three and a quarter milliards were provided by the Mefo credits of the Reichsbank, whilst the remaining five and three quarter milliards came from the budgetary resources of the Reich. In the following budgetary year from April 1st, 1938, to March 31st, 1939, there was no Mefo money available and armament expenditure had to be met entirely from budgetary resources. The total armament expenditure in this year was two milliard marks more than in the previous year, namely eleven milliard marks. In the budgetary year from April 1st, 1939, to March 31st, 1940, Mefo Bills to the sum of approximately two and a half milliard marks became due. It would have been an easy matter to meet this obligation from budgetary resources if expenditure on armaments had been correspondingly reduced.

And then once again the unexpected happened. Partly in order to obtain a general picture of the situation as a matter of form and partly on account of its anxiety at the reckless finance policy of the Reich, the Reichsbank put an inquiry through to the Reich's Finance Minister towards the end of 1938 concerning the approaching maturity year for the first Mefo Bills—and received the answer that the Finance Minister was not in a position to redeem the bills as guranteed by the Reich and that instead he would provide the Reichsbank with Reich's promissory notes. This was monstrous. The obligation of the Reich to redeem the bills was to be dishonoured, not

because the Reich was unable to pay, but because it preferred to spend its money on other things, in particular on armaments. This was not incompetence or even culpable negligence; it was malicious fraud. If this fraud were really perpetrated, then it would mean not only defrauding the Reichsbank but endangering the currency, whose protection in the interests of the German people was in the hands of the Reichsbank. This threat was the signal for the Board of the Reichsbank to resist to the utmost.

On January 2nd, 1939, I went to visit Hitler at Obersalzberg to discuss the financial situation with him. I explained everything very clearly and I pointed out, amongst other things, that it had not proved possible to raise the first instalment of the so-called 'Jewish Atonement' all in cash. Hitler had imposed this impost on German Jewry as a whole as a punishment for the assassination of Counsellor von Rath at the German Embassy in Paris by a Polish Jew. Out of a total sum of 250 million marks representing the first instalment of this 'Atonement', only 170 million marks had been raised in cash, and it had been necessary to take the remaining eighty million marks in other values (land, securities, &c.). The prospect of obtaining the remaining 750 million marks was even less favourable. It was a clear sign that the money market as a whole was extraordinarily straitened.

In reply to my observations Hitler declared that he had been thinking over the finance problem and had found a solution which he would discuss with me and the Reich's Finance Minister within the next few days in Berlin. Referring to the 'Jewish Atonement' impost he added that bank-notes could be issued against such real values. In

other words we had arrived at the point where the banknote presses were to be put into operation to fill the gap. A cold shiver went down my spine. It was on the tip of my tongue to reply that in that case one could issue banknotes against all real values and in this way obtain milliards of marks, but I replied instead that I would hand him a memorandum from the Reichsbank which could serve as the basis for our discussion with the Reich's Finance Minister.

This memorandum, which bore the signature of every Governor of the Reichsbank, was handed over on January 7th, 1939. We were in very little doubt as to the upshot of our action. It might, of course, lead to a change in Hitler's policy, but that was very unlikely. What was much more probable was that it would lead to our dismissal. I informed the Reich's Finance Minister of the step we had taken and I added that this would presumably bring my activities at the Reichsbank to an end. He replied that if I went he would ask for his dismissal also.

The most important passages in the memorandum from the Reichsbank were as follows: "The reckless expenditure of the Reich represents a most serious threat to the currency. The tremendous increase in such expenditure foils every attempt to draw up a regular budget; it is driving the finances of the country to the brink of ruin despite a great tightening of the tax screw, and by the same token it undermines the Reichsbank and the currency. There is no solution, no matter how ingeniously worked out, no system of finance, no form of monetary technique, no methods of organization and no control system whereby a policy of unlimited expenditure can be prevented from having the most devastating effects upon

the currency. No issuing bank is in a position to maintain the stability of the currency in face of an inflationary expenditure policy on the part of the State. Although an increase of public expenditure was inevitable as a result of the two great diplomatic coups in Austria and the Sudeten lands, the fact that after their conclusion no sign of any limitation of expenditure became visible—and, indeed, everything indicates that a further increase in expenditure is being planned—now makes it an imperative duty to point out the consequences for the currency. The undersigned Governors of the Reichsbank are satisfied that whilst they have joyfully contributed everything possible for the achievement of the great objects which have been set, the time has now come to call a halt."

The effect of the memorandum was what we had expected. Hitler fell into a rage, declared the attitude of the Reichsbank to be mutiny, and dismissed me, the Vice-President of the Reichsbank and the Governor responsible for dealing with the Reich's finances from our posts. At the same time he appointed the Reich's Minister of Economics, Funk, to be my successor and promulgated a secret decree, which was published only five months later, to the effect that henceforth the collegial constitution of the Reichsbank was abolished and the Reichsbank was placed under the direct orders of the Fuehrer. This secret decree also empowered, and indeed obliged, the Reichsbank to provide the Reich with whatever credits Hitler might demand. After that three other Governors of the Reichsbank asked for and obtained their dismissals. Only two of the Governors remained at their posts, both of whom had been members of the Nazi party for a long time previously.

The Reichsbank was the only authority in the Third

Reich which had openly opposed Hitler's policy. The Governors of the Reichsbank came forward by name, risked everything to stand by our convictions, and suffered the consequences. Unfortunately, we remained alone in this respect and had neither supporters nor successors. I was particularly disappointed at the fact that the Reich's Finance Minister did not stand by me as he had promised to do, but preferred, when it came to the point, to stay in office. The Mefo Bills were now redeemed from the resources of the Reichsbank, that is, the Reichsbank paid instead of the Reich. Hitler had opened the gates to inflation.

The scene which occurred when I was dismissed was significant of Hitler's relationships with me. The telephone rang at midnight and I was ordered to present myself at nine o'clock the following morning. That was a most unusual hour for Hitler. As he rarely went to bed before two or three in the morning he was usually not available for interviews before about eleven o'clock. At half past eight the following morning there was another telephone call; this time telling me not to arrive until nine fifteen. As other visitors were often left waiting for hours in his ante-room this message indicated Hitler's uncertainty. I had not been two minutes in the Chancellory when Hitler came quickly into the room. He was obviously excited. "I have called you," he said, "in order to hand you your dismissal as President of the Reichsbank." I accepted the paper he handed to me without a word. As he seemed to think that some observation was called for, he added: "You don't fit into the National Socialist picture." That was, of course, perfectly true and called for no comment. My continued silence seemed to embarrass him and he tried again: "You have refused to

allow your officials to be examined by the party organs with a view to establishing their political reliability." That really exhausted the topic of discussion. I had often told Hitler that if he wanted to entrust me with a job he must let me pick my own assistants. There seemed no necessity to go into it all over again so I still said nothing. Then came another reproach: "You criticised the events of November 9th before your employees." That was a reference to my address at the Christmas celebrations in which I had openly condemned the pogrom of the previous November. This time I answered: "If I had known that you approved of those happenings I might have kept silent." This answer seemed to take his breath away and he declared indignantly: "In any case, I'm too much upset to talk to you any more now." To which I replied: "If you want to talk to me any more I can come some other time when you are calmer." After that he accompanied me in silence through three rooms to the ground floor exit and took leave of me there. The whole time he had not even mentioned the memorandum of the Reichsbank.

My effort, both in the Reich's Government and at the Reichsbank, to prevent Hitler's policy from degenerating into excesses had failed. The hope that I might after all succeed was the reason why I had agreed to enter the Reich's Government at all. Now I was excluded all along the line. Hitler's statements of his intentions, his solemn assurances and his preliminary expressions of confidence in me had been nothing but lies and deceptions. But the German people were dazzled by the man just as other peoples were. If in the end Hitler did not abandon his warlike intentions then there was only one way out: his destruction. It hardly bore thinking of. But now, after his great successes, he might perhaps allow Germany to

remain at peace. After all, he had attained more than he could ever have imagined even in his wildest dreams. For the time being, at any rate, there was nothing for me to do but wait.

For propaganda reasons Hitler naturally desired the least possible disturbance and discussion over my going. I was myself not unwilling to let a little grass grow over the coup d'état I had planned with Witzleben in the autumn of 1938, and so Hitler and I agreed that I should go off on a long journey abroad. I left Germany at the beginning of March, 1939, and spent a few months in British-India and in Burma as a private tourist. This explains why I was not in Berlin when the Czech President Hacha was intimidated. I was once again astonished at the feebleness of the reaction outside Germany to this new act of violence, although it represented the first German attack on territory which was not German and in which no Germans lived.

On my journey to India I refrained from any economic or political activity or utterance. Nevertheless, it was unavoidable, I suppose, that the English-speaking Press should treat me as a Nazi agent. The Hindustani Press was much more objective in its reports. The great moral earnestness I observed amongst the educated classes in India made a deep impression on me. Their external religious forms and rites appear to us Europeans bizarre, even grotesque, but there is certainly no doubt about the depth and sincerity of the religious outlook of the Indian people.

Only on one occasion was I unable to avoid a political meeting, and that was in Rangoon when a Chinese friend of mine visited me at the instructions of his government to discover my views on the Sino-Japanese conflict.

Although I knew that my opinions on the subject were diametrically opposed to those of Hitler, I made no attempt to conceal them, and I declared that China should hold out under all circumstances in the struggle with Japan. In the long run China's economic possibilities were superior to those of Japan. Japan was over-estimating and over-straining her strength to an extraordinary degree. China should seek to retain the friendship of the United States as her most reliable helper and ally. This discussion took on a special significance owing to the fact that Germany's Foreign Minister, von Ribbentrop, had made it a condition of my journey that I should confine myself to India, of which at that time Burma counted as part, for fear of repercussions if I appeared in the Far East. And now as the result of this Chinese visit a contact had been made which Ribbentrop would have been glad to prevent.

When I returned to Germany at the beginning of August, 1939, I found that my hope that Hitler might after all have imbibed a little of the wisdom of political patience had been ill founded. He was entirely lacking in that quality praised as the highest virtue by the German poets of the Middle Ages: constancy. During August I discovered with horror that he was deliberately exacerbating Germany's relations with Poland in order to find a pretext for military intervention. Once again it went against the grain with me to do nothing and merely let the catastrophe roll on. There was no time to prepare a new military coup d'état. Discussions I had with my friends General Thomas, General Oster, Admiral Canaris, Dr. Struenck and Gisevius constantly turned on the question of what could be done to prevent the insanity of a new war. I tried to get into touch with the Commander-in-

Chief of the armed forces, von Brauchitsch, and with General von Halder, who were both at military headquarters at Zossen near Berlin, in order to remind them solemnly of their oath to the Constitution, which did not permit a declaration of war without the previous consent of the Reichstag. My request for an interview was rejected and when I decided to make the journey notwithstanding, Admiral Canaris informed me that Brauchitsch would have me arrested on the spot.

The German people learned of the outbreak of war with Poland on September 1st, in the morning, after hostilities had already been proceeding for some hours. The names of those Generals who spinelessly obeyed a criminal order of a perjured Fuehrer in defiance of the Constitution to which they had taken a solemn oath were now added to the long line of those responsible for Germany's downfall. The longer the line became, the greater grew the guilt of its component links.

At no time throughout the whole course of the war did I ever believe in the possibility of a German victory. In this connection one or two incidents occur to me. The unexpectedly swift and victorious conclusions of the campaign against France deceived even some of my friends, and they began to think that the war might after all be won. In reply I declared bluntly: "The war is only just beginning."

On another occasion the Foreign Minister warned me through his Departmental Chief that I should refrain from defeatist utterances if I wished to avoid disagreeable consequences. In reply to my request for information as to the identity of the person to whom I had allegedly made such defeatist utterances, I was told that it was the Reich's Minister of Economics, Funk. Instead of trying to weaken

the charge I did the opposite; I immediately wrote a letter to Funk of which I sent the Foreign Minister a copy. In this letter I insisted that it was my right, and, in fact, my duty, to express my honest opinions to a ministerial colleague. These opinions had been the same before the war as they were now during the war, namely that economically Germany was not in a position to withstand the rigours of a European war.

Then there was a third incident. After the United States had been forced into the war I was asked by the editor of *Das Reich*, a magazine published by Goebbels, to write an article for his publication reassuring the German people about America's war potential and toning down the exaggerated ideas current on this point. The request was accompanied by a laudatory reference to my knowledge of American economic conditions. I rejected the request abruptly on the ground that it was precisely my knowledge of America's economic strength which would oblige me to write the exact opposite of what was desired.

Once all my efforts to prevent the outbreak of war had come to nothing I did everything I could to bring it to the speediest possible conclusion. When the Polish campaign was at an end, a strong movement arose amongst Germany's leading Generals, including first Hammerstein and then Halder and Brauchitsch, to prevent the proposed offensive against the Western Powers. They toyed with the idea of removing Hitler from the control of the armed forces and from the leadership of the State by a military coup. Naturally I joined in the discussions and placed my services at the disposal of a new regime on the civilian side. However, Hitler delayed his plans for an attack in the west and in the uncertainty that followed the Generals

lost heart, as unfortunately happened again and again on subsequent occasions. Giving evidence in Nuremberg General Thomas declared: "When I visited Halder at the instance of Beck, Goerdeler and Popitz, Halder told me that Schacht had offered to get into touch with Brauchitsch to discuss the dangers for Germany of a new world war if Hitler's policy were continued. I then got into touch with Brauchitsch's adjutant and asked for a meeting to be arranged with Schacht. The projected discussion did not take place, however, owing to Brauchitsch's refusal to receive Schacht."

At the beginning of 1940 I suggested to Hitler that he should let me go to the United States with a view to keeping America out of the war as long as possible. I cherished the secret hope that I might be able to win over President Roosevelt to act as mediator, and I had therefore already sent a preparatory letter by secret channels via Switzerland to a highly-placed friend in the United States. Unfortunately, Germany's Foreign Minister, von Ribbentrop, succeeded in turning Hitler against my plan and nothing came of it.

In September, 1941, I sent a detailed letter to Hitler pointing out to him that he was now at the zenith of his military successes—it was just after his first great victories over the Russians—and that now was the time to swing over Germany's foreign political helm and steer direct towards peace with all possible vigour. Hitler replied thanking me for the receipt of my letter. I was informed of his negative reaction to my suggestion when a remark he had made to his military retinue was repeated to me: "Schacht still doesn't understand me." This was one of the few occasions on which Hitler spoke the truth.

I did not allow this reverse to frighten me off, and a

year later, in the summer of 1942, I approached Lammers, the Chief of the Reich's Chancellory, to get him to ask Hitler whether I might send him a memorandum containing my views on the situation. The answer was a direct negative.

In November, 1942, an accident gave me once again an opportunity of expressing my views. The Air Ministry had drawn up an order concerning the calling up of fifteen- and sixteen-year-old schoolboys from higher educational institutions for service with the anti-aircraft defences. The draft of this order was sent to me, obviously in error, as a Minister without Portfolio. At once I seized the opportunity of writing a letter to the Air Minister, Goering, in the following terms:

"Dear Reich's Marshal,—Through official channels I have just received the draft of your order calling up fifteen-year-old schoolboys for military service. As you know, since the end of 1937 I have been a Reich's Minister only nominally, without any sphere of action. No Cabinet meetings have taken place since 1938. I have never since that date been invited to take part in any ministerial discussions. I am now living in the country withdrawn completely from all political activity. For some months now I have been expressly forbidden to listen in to foreign broadcasts with the result that all my current knowledge of the military, economic and political situation is based on the same sources as are available to any other thinking Germans, whose numbers—even among the so-called broad masses — should not be underestimated. As I am not a member of the Reich's Defence Council I naturally had no part in the preparation of the draft. Thus, although I feel myself exonerated from any responsibility in the matter, nevertheless my conscience,

and the desire to avoid any sin of omission, impel me to write these lines.

"I may take it as admitted that I have always maintained in responsible circles that we were not sufficiently prepared to stand the economic strain of a long war. At the same time it must have been clear to any student of the Anglo-Saxon mentality that the war would be a long one once England had announced her decision to regard a German attack on Poland as a *casus belli*. At the beginning of 1940 I offered the Fuehrer to go to the United States in order if possible to slow down the American supply of arms to England, and to prevent as far as possible America's becoming still more deeply involved in the war. The Reich's Foreign Minister opposed this suggestion, to which the Fuehrer himself was quite favourably inclined. A subsequent approach made by me to the Fuehrer in the autumn of 1941 at the peak of our successes was again fruitless.

"It may be that the calling up of fifteen-year-old boys is a military necessity, but it will impose a very great strain on the confidence of the German people in a German victory. The facts as the German people can see them are as follows:

"(1) The original prospect of a short war has proved to be vain.

"(2) The prospect of a speedy reduction of England by the Luftwaffe has proved equally vain.

"(3) The statement that Germany would be immune from hostile air attack has proved inaccurate.

"(4) The repeated assurance that Russian resistance had been broken has turned out to be wrong.

"(5) On the contrary, the supply of war materials to Russia by her allies, and her own man-power reserves,

have led to constant heavy counter-attacks against our eastern front.

"(6) The first victorious advance against Egypt has broken down after a series of further attempts.

"(7) The landing of Allied forces in North and West Africa, which was said to be impossible, has taken place.

"(8) The extraordinarily large amount of shipping space which was necessary for this landing indicates that despite its great successes our submarine arm was not sufficiently powerful to prevent the passage of these transports.

"In addition, every German citizen can observe the cuts in civilian supplies, transport, armaments, and manpower. The calling up of fifteen-year-old boys will increase the doubts of the civilian population about how this war can be brought to an end."

This letter, the text of which was read at Nuremberg by the leading U.S. prosecutor, had a number of significant consequences, some of which I naturally foresaw without thereby being dissuaded from writing and despatching the letter. One of the results was my final dismissal from my formal post as Minister without Portfolio, which I had long desired and had tried to bring about on a number of occasions. True, the Reich's Cabinet, in which I had had no office since the autumn of 1937, had been degraded to the level of a subordinate Civil Service department without any political influence. Not a single Cabinet meeting had been called since that year. All laws and decrees were issued by the Reich's Chancellor himself and merely counter-signed by the Minister whose department they concerned. However, even my formal position as a member of the Cabinet burdened me more and more as the policy of the Government turned increasingly against my

views. But Hitler did not want to see any resignations from his Government, since that might have suggested inner conflicts, and once Hitler had become Reich's President as well as Reich's Chancellor it was impossible for any Minister to resign without his signature. Hitler merely refused to give his signature either to my resignation or to anyone else's. When Darre was angrily removed from his ministerial post Hitler did not formally dismiss him but sent him on permanent leave of absence, and his Ministry then carried on under its Departmental Chief, Backe, who was never appointed Minister. After the outbreak of war Hitler expressly forbade his Ministers to hand in resignations, and any such attempt was regarded as an act of sabotage.

Now came my letter to Goering, which was, of course, immediately sent to Hitler. It is not surprising that the letter caused the greatest indignation and threw Hitler into a rage. At last Hitler seemed to have had enough of my opposition. On January 22nd, 1943, I received the following communication from the Chief of the Reich's Chancellery, Lammers: "In view of your general attitude in this present fateful struggle of the German nation, the Fuehrer has decided as a preliminary step to remove you from your office as Reich's Minister." Thus I had at least obtained my much desired dismissal.

But it had become quite clear that I had now entered the zone of direct danger to my person. The words 'as a preliminary step' were sufficient to indicate that. The next step was a letter from Bormann instructing me to return the Party golden badge of honour which had been presented to me in common with all other Ministers. This I did at once with a great feeling of relief and satisfaction.

The next thing that happened was that Goering ex-

pelled me from membership of the Prussian State Council, of which he was President. The reason he advanced for his action was as foolish as it was ridiculous. He sent me a telegram: "My answer to your defeatist letter undermining the defensive strength of the German people is to expel you from the Prussian State Council." The Prussian State Council had not met for at least half a dozen years, and from this circumstance it is possible to estimate its insignificance. My expulsion from such a body therefore caused me no undue dismay. The accusation of defeatism, however, was dangerous, for at that time defeatism was already punishable with death; though, of course, it was ridiculous to suggest that a confidential letter from me to Goering could undermine the defensive strength of the German people. Nevertheless, the obvious malice behind the charge gave me cause to think.

The following day, when I left my country house for Berlin, I found myself surrounded by Gestapo spies on foot and in motor cars wherever I went, and it was borne in on me very clearly from what side the danger threatened. On the very same day, therefore, I made arrangements to give up the use of my Berlin house altogether for the time being and to return with the essentials I needed to my country house, where it was my intention to stay, in order to disappear as completely as possible from the scene. For a long time after that I avoided going to Berlin, and it was probably owing to this precaution that I once again succeeded in avoiding arrest.

Apart from my attempts to bring about a change in Germany's war policy by seeking to exert direct influence on Hitler I also worked on steadfastly at my plans to get rid of him altogether. If it proved impossible to get rid of him by an organized military counter-movement then

clearly an attempt on his life would become unavoidable. But even this could be carried out only by the army, since the military were the only people still able to get in touch with him. Hitler appeared in public for the last time when he drove in an open motor car through the streets of Berlin after his return from Paris in the summer of 1940. After that he never moved at all except with infinite precautions and under the strongest possible guard, particularly as hostile air attack was beginning to cause heavy damage to Germany's towns. 'The beloved Fuehrer' did not dare to show himself in any of the bomb-damaged towns on one single occasion after an air raid. He hid himself in his mountain fastness at Obersalzburg, which was hermetically sealed off against all unwelcome visitors, or in his so-called Headquarters. Colonel-General Jodl gave a depressing but amusing description of this Headquarters in his evidence at Nuremberg: "The Fuehrer's Headquarters was a mixture between a monastery and a concentration camp. It was surrounded with numerous wire fences and barbed-wire entanglements, and was guarded by outposts controlling the roads leading in to it. In the centre was the so-called Prohibited Zone No. 1. Not even my staff had permanent passes permitting them to enter this area."

Thus for one thing the military persons in his retinue were the only people who were in a position to get near him, and for another the co-operation of the Generals was necessary for both military and political reasons. In the event of Hitler being disposed of it would be necessary for the troops to be held together, and this could not be done unless some at least of the commanding Generals were in the plot. But which Generals were likely to have enough courage and determination to undertake the task?

Certainly, the relationship between Hitler and his Generals was not friendly, nor was it based on mutual trust. There were very few enthusiastic Hitler supporters amongst the Generals. But there were enough to make it a dangerous matter to venture even a critical observation, not to mention an actively hostile one, except in a trusted circle. There was also the difficulty that some officers had a very narrow and formal sense of duty, which prevented them from rising above subaltern obedience and accepting a higher responsibility. Even those well-meaning Generals who were conscious of their responsibility had their doubts. After all, Germany was at war. They were in an acutely embarrassing situation. It was impossible for them simply to break off the engagement and march their troops home. Some form of political settlement seemed necessary.

Their doubts persuaded the civilians, who were constantly urging the Generals to take action, to make efforts to reach a preliminary understanding with Germany's enemies. I always followed these efforts closely, and although I put no obstacles in their way and did nothing to hold myself aloof from them, I always regarded them with a considerable degree of scepticism because they served many Generals as a pretext for postponing action, quite apart from the fact that such unofficial attempts were necessarily difficult and protracted. For these reasons I always urged action irrespective of such negotiations, for I felt that only rigorous independent action could bring negotiations of that sort to a satisfactory conclusion. In fact, they undermined resolution and wasted time.

Many Generals felt themselves bound by their oath of loyalty. I once asked such a General: "How can you keep your oath to a man who has already broken his own a

hundred times over?" And the only answer I received was "Spare me that at least."

If I pass over the names of the living in this story, for reasons which will be readily understood, I am all the more entitled to speak of the dead who fell victim to Hitler's lust for vengeance. Even before the war I had done my best to enlist the assistance of General von Kluge and the circle around Witzleben, and now I continued my efforts. The former Departmental Chief and Regierungspraesident Schmid gave evidence as follows at Nuremberg: "In March, 1940, in a confidential discussion lasting several hours which took place in my house in Zehlendorf, Dr. Schacht sought to win over my friend General Hoeppner, who had come back from the front expressly to meet him, for immediate action to forestall the offensive which we knew had been planned to take place in the west. Schacht declared that if that offensive were launched the war would develop into a world-wide conflict whose end it would be impossible to foresee. He strongly condemned anti-American propaganda and the over-estimation of Japan's resources, declaring that Japan was not industrially strong enough to stand a long war. Hoepner was personally convinced, but he was unable to persuade Brauchitsch and Halder. Those gentlemen considered the situation not yet ripe."

Constant touch was maintained with Admiral Canaris and General Oster, who held leading positions in the Anti-Espionage Centre and were therefore at the heart of the most important source of information. Our ally, S.S. General Nebe, a close friend of Gisevius, was in the inner circle of the Chief Reich's Security Office of the Gestapo, in charge of the Criminal Department. Many people who were of the same way of thinking as ourselves met in the

house of Dr. Struenck and his courageous and intelligent wife, in particular Goerdeler and later Colonel Hansen. Permanent contact, sometimes direct, sometimes indirect, was maintained with Colonel-General Beck, and from 1943 onwards between me and General Lindemann, who was subsequently one of the prime movers in the attempt on Hitler's life which took place on July 20th.

Despite our failure in the autumn of 1938 we continued to co-operate with Witzleben. In the summer of 1941 I went to Frankfort-on-Main, where Witzleben was at that time District Military Commander, expressly in order to persuade him to join us again. After the conclusion of the campaign against France, Witzleben had been recalled from the front by Hitler on the ground that he was not altogether politically reliable, and he was longing to get back again. I found him still as determined as ever to take action against Hitler, and he was constantly considering ways and means by which this object could be achieved. He hoped that if he could secure an appointment at the front again, some favourable opportunity might arise.

As time went on the military situation grew more and more hopeless for Germany. In the end the attempt on Hitler's life which took place on July 20th, 1944, was almost an act of despair. Whilst I was a prisoner in American hands I was asked on one occasion what I imagined could have been gained by the success of such an attempt at so late a date. I replied that at that time I, too, had to face the prospect of unconditional surrender, but that I had hoped at least to secure the continued existence of a German government and to avert the partitioning of the Reich if we succeeded at the last moment in achieving independent action.

The leaders of the circle concerned in the proposed

action were under the moral authority of Colonel-General Beck. He was the man who had been chosen as head of a provisional government, the civilian side being entrusted for the time being to the leadership of Goerdeler. Beck was extremely cautious, reserved, secretive, and sometimes almost hesitant; Goerdeler was just the opposite. He was courageous to the point of actual imprudence; he was tireless in his visits to those who thought as we did, and in his efforts to keep them together. He spoke to hundreds of people in order to obtain their future co-operation, although he knew that once the deed had been successfully performed their services would be available in any case. Schlange-Schoeningen writes that two days before the attempt of July 20th he received a message from Goerdeler instructing him to hold himself in readiness as the time had come. Gisevius was living in Switzerland at the time and it was impossible to keep him informed of all the details of the plot. He arrived in Berlin about a week before the attempt in order to obtain information. Giving evidence at Nuremberg he declared that this time only three civilians had been informed about the coming action. The actual truth of the matter was rather different. Although the details of the plot may have been known to very few, the fact remains that a wide circle of people were aware that at long last something was about to happen.

As far as my own share in it was concerned, the description given by ex-Colonel Gronau in evidence at my trial before the De-Nazification Court in Stuttgart will best serve our purpose. In the autumn of 1943 my friend Colonel Gronau informed me that he had met his old school friend General Lindemann, who had expressed a wish to discuss the general situation with me at some

convenient time. On September 16th, 1943, I therefore met Lindemann in Colonel Gronau's house. General Lindemann gave me to understand that a group of officers in Hitler's immediate entourage were now at last ready to act. I heartily welcomed their decision, and before we parted we arranged another meeting. This took place on February 3rd, 1944, in the house of Frau Gronau, who, however, took no part in our conversation. Apart from myself only Lindemann and Gronau were present. Lindemann told me that he had been appointed General of Artillery attached to Supreme Army Headquarters and would therefore be in a much better position to make preparations for the attempt. I again stressed the urgent necessity for action and insisted on the utmost possible despatch. Shortly after this Lindemann informed me through Gronau that everything was now ready as agreed. But as week after week passed and nothing happened, I urged again and again through Gronau that immediate action should be taken.

Gronau describes the next meeting in the following words: "On April 21st, 1944, when Lindemann was again in Berlin on official business from the front, he and Schacht and I again met in the house of Frau Gronau. Schacht used the opportunity to attack General Lindemann so vigorously in his eagerness to urge him and his comrades on to the utmost despatch that I seriously feared a personal collision between the two. I therefore intervened and suggested a pause for a meal, for in his understandable excitement Schacht had criticised and rated the generals so vigorously for their spinelessness that I feared Lindemann might feel himself personally involved in the attack."

Later on I learned through Gronau that action was to

be expected in the middle or in the second half of July. On July 17th, 1944, I took my children to my married daughter in Munich. Gronau met me at the railway station just before we left and informed me that he had just come from Lindemann, with whom he had met Colonel Count Stauffenberg, and that the affair would come to a head within the next few days. That was on Monday. The attempt was made on the following Thursday. It was unsuccessful. At first Lindemann succeeded in making his escape, but unfortunately his hiding place was discovered a few weeks later. He tried to shoot his way out, but he was wounded and captured. He died later of his wounds.

The conspirators of July 20th had to pay dearly for the fact that their leaders, Beck and Goerdeler, occupied themselves far more with the composition of the government after the event than with the attempt itself and the period immediately following. Whoever reads the description written by Gisevius of how the Generals concerned sat around idly in the War Office building in the Bendlerstrasse wondering whether the attempt had been successful or not, talking and talking and wasting time, until finally they were arrested, can only deplore their lack of foresight and determination. Apparently they had not even a body of men to hand on whom they could rely. If the attempt had been successful the situation would probably have developed in favour of the conspirators, but at least they should have taken the possibility of failure into consideration and been prepared for either flight or resistance. They had made arrangements for neither. The bitterness of Gisevius, as reported in Hassell's diary, can well be understood, as can his indignation at having been left completely

in the dark about the arrangements to exploit the attempt.

Thousands of people were arrested after the failure of the attempt and hundreds executed. Someone has said: "It makes one almost ashamed to be alive when one thinks of the long list of dead comrades." As a result of years of discussion and planning, the circle of those in the know had grown to dangerous dimensions. Conspiracies should be confined to small circles of people and everything should be shrouded in the utmost secrecy. What was to be gained by exposing oneself and so many others so imprudently? Nothing, but there was much to be lost, including many active opponents of Hitler, at a time when we needed every determined man. For those who died—and they were many—there can be nothing but honour; for those few who survived, nothing but sorrow and mourning.

Chapter Seven

IN CONCENTRATION CAMP AND AMERICAN IMPRISONMENT

ON July 20th, 1944, I was at the Hotel Regina in Munich and in the afternoon I heard the news that the attempt on Hitler's life had failed. I had taken the two small children of my second marriage to my married daughter on the Hohenpeissenberg because in view of what was about to happen I wanted to have full freedom of movement. And now the attempt had failed.

Without bothering about the danger to myself I left for Berlin to return to my wife. Up till then I had said nothing whatever to her about our plans to get rid of Hitler. That evening when we were sitting together talking I thought it as well to give her some explanation, but instinctively she threw up her hands: "I don't want to know anything!" she exclaimed. "You're quite right," I replied, "that's the best thing." The expected happened the following morning. Shortly before eight o'clock—it was July 23rd—the Gestapo arrived and I was taken to Ravensbrueck concentration camp near Fuerstenberg. My wife owed it to her instinctive refusal to be told anything about it that at the subsequent examinations she was left in peace by the Gestapo.

Ravensbrueck was a concentration camp for women, and it held some tens of thousands of women, mostly so-called Eastern workers, who were kept there in barracks. In addition there was a so-called Zellenbau or prison

block in which there were eight cells for special prisoners. I was led to one of these cells and locked in. From the knowing grin of the warder who took charge of me I realized there must be something or other in the wind. It turned out that they had thought it fitting to put me in the cell which shortly before my son-in-law von Scherpenberg had occupied for six months.

Long before, he had been present at a tea party in the house of Fraulein von Thadden, a well-known headmistress of a school for girls. Fraulein von Thadden was a practising Christian and as such an open opponent of the Nazis. Amongst those present were also a former Permanent Secretary named Zarden; the ambassador Otto Kiep; and Frau Solf. Unfortunately, Fraulein von Thadden had also invited a certain Dr. Reckzeh, a man she had not known for long and who, in fact, was a Gestapo spy sent to collect evidence against her. During the course of the conversation the company quite freely expressed opinions in opposition to the war and hostile to the Nazis. Soon afterwards everyone who had been present was arrested. On the evidence of this Reckzeh, Fraulein von Thadden and Ambassador Kiep were sentenced to death by the so-called People's Court, and my son-in-law, Scherpenberg, received a sentence of two years imprisonment. Zarden managed to commit suicide before the trial.

The floor of this prison block in Ravensbrueck was several feet below ground level so that the window, although just under the ceiling, was just above the ground. All the cells were single cells and the prisoners were kept segregated from each other. It was strictly forbidden to enter into conversation with any other prisoner who might be met with in the corridors or at exercise. The S.S. men who served as guards watched us very closely. Never-

theless during exercise we did sometimes succeed in whispering a word or two to each other, or surreptitiously passing a note. Amongst those who thought as I did, I met, or knew to be present, Colonel-General Halder, Reich's Minister Gessler, Permanent Secretary Puender, Consul General Schniewind, Ministerial Director Ernst, Ministerial Counsellor Sperl, Diplomatic Counsellor Count Bernstorf, Professor von Dietz, and many others. As we were kept strictly isolated we had very little contact with the camp life proper, but when we were led out to be examined we were able to observe a certain amount. For one thing, it was quite obvious that the place was very overcrowded. From the bathroom we could see out on to a small courtyard where there were a number of mothers nursing their sucklings under extremely primitive conditions. In the morning and evening we heard the women prisoners marching to and from their work in the Siemens factory near the camp and singing to order. We learned nothing at the time about the gassings and the medical experiments which were carried out in Ravensbrueck, though, of course, we had noticed the great smoke-stacks of the crematorium.

Up till the time I was sent to Ravensbrueck concentration camp I had not really believed the occasional stories I had heard concerning the physical maltreatment and even torturing of prisoners, because I had never met any eyewitnesses, or, what would have been still more convincing, any of those who had themselves suffered in this way. But in Ravensbrueck I met a number of fellow prisoners who told me that they had been beaten into insensibility, tortured with thumb screws and otherwise mishandled, whilst the man in charge of the camp, a Detective Inspector named Lange, had watched the tor-

tures and the maltreatment, smoking cigarettes and encouraging his assistants in their work.

A few days after my arrival in Ravensbrueck the great mill of investigation began to grind. For hours on end I had to dictate my whole life story, give an account of all my connections abroad, explain my attitude in so-called ideological questions, and so on, and everything I said was carefully typed out. The whole procedure aimed at exhausting and confusing its victims and trapping them into contradictions. As far as I was concerned, not a word was said about what they proposed to charge me with. Naturally I had often thought over everything very carefully, and tried to decide from which quarter danger might threaten, long before I was arrested. As far as I could see, it was only from my connection with Lindemann that any special danger threatened. If my friend Colonel Gronau, in whose presence we had met, had also been arrested, then it was fairly certain that the questioning of three prisoners who had been given no chance of previously coming to any agreement as to what to say, must reveal the true nature of our relationship. By bribery in the shape of a cigar I managed to get hold of a copy of a newspaper which had been deliberately withheld from us. From it I learned that Lindemann had succeeded in making his escape. I sincerely hoped he had reached safety.

On August 28th I was suddenly put into a blue and white striped convict's uniform, and taken off to Berlin in handcuffs. Still handcuffed I was put into a cell at Moabit Prison and left there for three days and three nights without being given my toilet articles. To add to my discomfort the place was verminous. From there I was taken to the obviously overcrowded cellars of the Gestapo headquarters in the Prinz-Albrecht-Strasse.

Apparently I had been arrested in the first place on general suspicion, but now they seemed to think they had found proof of my complicity in the attempt on Hitler's life. Ex-Minister Speer, who was often in Hitler's company, declared in evidence at Nuremberg: "On July 22nd, 1944, Hitler declared in the presence of a number of people, of whom I was one, that Schacht must be arrested as an enemy of the authoritarian system. Hitler then proceeded to express himself very harshly about Schacht's activities and the difficulties Schacht's economic policy had caused him in his efforts to rearm. Actually, a man like Schacht ought to have been shot for his negative activity before the war."

Then I learned that Goerdeler, one of the chief accessories in the attempt on Hitler's life, had admitted under examination that for years he had spoken quite openly in a certain circle of his intention to organize a coup d'état. This was a circle of scientists who occupied themselves with technical agronomical questions, at whose meetings I had often been present. It will always remain a mystery why Goerdeler should have compromised all these innocent people, but torture, threats and intimidation may have had something to do with it. In any case, the news greatly relieved me because, in fact, as later evidence confirmed, nothing of the sort had ever been discussed in that circle. If that was all the evidence they had against me I felt there was not much need to worry.

I was much more anxious about my relations with General Lindemann, who had in the meantime been arrested. Then in December, 1944, my son came home on leave from the front and managed to get permission to visit me. Whilst the warder in charge was flirting with a stenographer, who was also in the room, my son managed

to whisper to me that General Lindemann had died of the wounds he had received resisting arrest. He also told me that Gronau had not, or not yet, been arrested, and I instructed him to go to Gronau and tell him that if the question arose I proposed to deny ever having been acquainted with Lindemann. My son carried out these instructions to the letter; and it was high time too, for a day or so later Gronau was himself arrested. As apparently nothing further could be discovered to involve me I was taken back to Ravensbrueck again that same month.

During the four months that I was held in the cellars of the Gestapo headquarters in the Prinz-Albrecht-Strasse, without once being allowed into the fresh air, I met numerous accomplices and sympathisers without being able to exchange so much as a word with any of them. Most of them I never saw again. They either fell victim to the so-called People's Court or were brutally murdered without the formality of a trial. At the beginning of February, 1945, a small number of us were transported, with short stops in Potsdam and Berlin, to the concentration camp in Flossenbuerg. The numerous air raids on Berlin had done a tremendous amount of damage, and that, and the approach of the Russian armies, was causing the authorities to transfer many prisoners.

No sooner had we arrived at the first stage of our journey, Potsdam, than we noticed a great change. The police prison in which we were provisionally lodged was so overcrowded that three of us had to be put into one cell, and one of the three had to lie on the floor. Every day we were allowed to exercise in the yard for an hour, during which time we were permitted to talk to each other. It was there that I met the former Gauleiter Josef Wagner,

a good fellow who was something of a white blackbird amongst his fellows. He was a sincerely religious man, and he had so irritated Hitler by his opposition to the methods of the S.S. that Hitler had openly vilified him at a big meeting of old members of the Nazi party. Wagner told me that he had just had a piece of good news from his wife: all political prisoners now held in prison were to be released soon, whilst all those held in concentration camps would suffer a different fate. Hardly an hour after this talk I found myself on my way to Concentration Camp Flossenbuerg.

On the journey there I again spent a night in the Gestapo Headquarters in the Prinz-Albrecht-Strasse in Berlin. This time it was in a terrible state. The upper storeys had been completely gutted by fire and hardly anything was left of the great building but the basement, which had neither light nor water. A primitive latrine had been made in the courtyard by digging an open trench. It was here that I had my last talk with one of the Bonhoeffer brothers. There were no blankets for the night at all, and we had to sleep in our own clothes on mattresses with no covering. Naturally, there was no heating of any sort either. Early in the morning we were packed into a bus. There were eight men and Frau Schuschnigg with her four-year-old daughter, escorted by more than a dozen guards. We travelled the whole day in a southerly direction without knowing just where we were going until, late in the evening, when it was quite dark, we were delivered into Concentration Camp Flossenbuerg in the Bavarian Forest not far from the Bohemian frontier. It was only later that I learned that Flossenbuerg, of whose existence I had not had the faintest idea up to then, was a so-called extermination camp. By that time I had no need of the

information. When we entered the Zellenbau or prison block I whispered to my companions: "I don't think we shall get out of here alive."

In Flossenbuerg we were even more strictly segregated than in the headquarters of the Gestapo in the Prinz-Albrecht-Strasse. The guards seemed to have been completely brutalised by their camp duties. We were completely cut off from all connection with the outside world. At nights we heard the vollies of the execution squads and the cries of their victims. Every morning when I made a lone walk in the prison courtyard I could see dozens of corpses being carried out on stretchers to be buried in the nearby woods. There was a gallows in the courtyard in which I exercised.

The International Military Court at Nuremberg referred to Concentration Camp Flossenbuerg in the following terms: "Concentration Camp Flossenbuerg can best be described as a death factory. Although the primary purpose of the camp had been to hold large numbers of slave workers for use in the labour drive, another of its chief objects was the destruction of human life. Hunger and short rations, sadism, inadequate clothing, the neglect of medical attention, sickness, beatings, hangings, death by cold and exposure, forced suicide, shootings, &c., played a leading role in the attainment of this aim. Prisoners were arbitrarily slaughtered. The deliberate killing of Jews was common. Poison injections and shootings in the back of the head were daily occurrences. Epidemics of typhus and spotted fever were allowed to spread as a means for exterminating the prisoners. Human life was of no value in this camp. Murder was a daily happening, so usual that the unfortunate victims welcomed a quick death."

The approaching collapse made itself evident in the increasing nervousness of our guards, but it was a great surprise to us when suddenly on April 8th a number of us were transferred again, this time to the concentration camp at Dachau. Apart from me there was the Schuschnigg family, Colonel-General Halder and General Thomas. Those of our friends who had been sent to Flossenbuerg from Berlin with me, and now remained behind, were Admiral Canaris, General Oster, and my good friend Dr. Struenck, who, together with his wife, had been a staunch pillar of our struggle against Hitler. All of them were probably hanged on the day after our departure together with a number of others, although none of them had been tried and sentenced.

In Dachau we found that discipline was no longer so strict. The coming collapse had cast its shadow before. The guard no longer consisted exclusively of S.S. men, and now ordinary soldiers who had been wounded in the fighting did duty with them. The question of how they could manage to escape to safety already played a great part in the lives of the S.S. men. Some of them had already deserted on their own account. Our cell doors were now left open and during the day we were allowed to stroll around in the yard and to sun ourselves on the grass. Whilst we were in Dachau a bomb shelter was erected and every time there was an air raid on Munich or the neighbourhood we used to crawl into it. In the afternoons we used to go to the room of the Schuschnigg family and listen to the wireless.

Our little community consisted almost entirely of prominent people. Apart from those who have already been mentioned there was the former French Premier Léon Blum with his wife; the prominent German industrialist

Fritz Thyssen with his wife; the late Military Governor of Belgium, General von Falkenhausen; the chairman of the former Bavarian (Catholic) People's Party, Dr. Josef Mueller; a Russian Flight-Lieutenant named Kokorin, who was Molotov's nephew; and finally the two Englishmen Best and Stevens, who had been kidnapped on Dutch territory by the Gestapo early on in the war. Amongst the old inhabitants of Dachau we came across my old Dahlem Vicar Niemoeller, already in his eighth year in a concentration camp, and the Catholic prelate, Neuhaeusler, who is now a Bishop in Freising. One of the prisoners in Dachau with whom I was acquainted had permission to go into Munich from time to time to supervise his factory there, and in this way we had a certain contact with the outside world. By this time we had begun to hope again.

After two weeks in Dachau, towards the end of April we were again transferred, this time to South Tyrol, where in Pragser Wildsee we were at last taken over by the Americans. On our way there we were joined gradually by a whole series of 'kinship hostages'. It was in this way that I learned in practice for the first time that when Hitler was unable to arrest suspected persons he arrested their nearest relatives instead, including women and children, brothers and sisters and even cousins and nephews, in order to force these 'kinship hostages' to betray their relatives or to exert indirect pressure on the wanted persons. In this way the Stauffenberg, Lindemann, Goerdeler and Hammerstein families and others joined our party until finally our number had risen to about 130.

The final chapter in Tyrol was not without its tension. On the one hand Italian partisans active in the Dolomites sought to persuade us to entrust ourselves to their hands, and on the other our S.S. guards earnestly discussed

whether they should carry out the instructions they had received to slaughter us all 'in case'. One evening there was a rather serious encounter, but in the end we were freed from the hands of our S.S. guards by retreating German troops returning from Italy.

It was a great disappointment for my concentration camp companions and myself that the Americans did not immediately set us free. We had lived for months without newspapers and we knew nothing about the allied intention to institute trials of war criminals. The disappointment I suffered about a week later when I discovered that I was on the list of war criminals was even greater. Since the autumn of 1938 I had constantly risked my life in the struggle against Hitler. Both before and afterwards I had fought with all the means at my disposal against the war, and now suddenly I was supposed to be a war criminal myself. Slowly I became aware of the tremendous ideological and moral confusion which the Hitler system and the war had wrought in the minds of men of all nations. Whoever had worked under Hitler was an outlaw even if he had fought against Hitler from within as I had done. The pestilential emanations of this man had befouled the whole of his surroundings irrespective of what the individual might have done. Once again I was dragged for months on end through half a dozen prisons and camps and then left to vegetate for almost a whole year in prison in Nuremberg, where we were all treated as though we were criminals without regard to the fact that the verdict of the court had not yet been passed.

The death of Roosevelt proved an additional loss for me personally. Apart from Churchill, he was the only statesman big enough to deal with the problems of our day, but he had an advantage over Churchill in that his

great power derived from a rich and powerful country which had not been weakened in war. Roosevelt knew me well and he had watched the progress of my work. As late as the summer of 1941 his chargé d'affairés in Berlin conveyed his greetings to me and added that my assistance would be reckoned on after the war as a man free of all responsibility for its outbreak. Major Horst Krueger of the General Staff of the Luftwaffe swore an affidavit for my lawers from which it also became evident that the United States Government was well aware of my views and my activities. Amongst Major Krueger's prisoners was an officer of the U.S. General Staff, a certain D. (I am not giving the name in full here because D. still occupies a public position), who said to him: "I am a prisoner now and I am no longer able to carry out my mission, but I still want to do what I can to help bring the war to an end by convincing all Germans with whom I come into contact, and particularly German officers, that Germany has already lost the war both militarily and politically. So long as the present men are at the head of the German Government Germany will not be able to bring the war to an end. But there are other men in Germany who could, and I will tell you who they are." Krueger reports that this D. had reliable information about certain people in Germany who, whilst not openly regarded as being in opposition to the National Socialist system, were known confidentially to be so. "In particular," Krueger continues, "D. had information about, and showed interest in, Dr. Schacht. D. advised me—and this was done in an almost friendly fashion—to join the Schacht circle and to work with this circle for the peace which Germany so urgently needed and which would be possible only under other leadership than that of Hitler."

Krueger declares that from his talks with this D. he received the impression that "the U.S. Military Information Department and also the U.S. Government were very well informed concerning the views, the attitude and the activities of the former Reich's Minister, Dr. Schacht. From D.'s observations I gathered that leading military and governmental circles in the United States regarded Dr. Schacht as probably one of the most important, most capable and most energetic of the active opponents of the Hitler Government."

But in the Nuremberg proceedings it was the American prosecutor in particular who sought to brand me as a war criminal. Obviously, the American legal authorities knew no more about me than the broad mass of German public opinion, which identified me with the Hitler Government because I had been President of the Reichsbank and a Reich's Minister. How should German public opinion have learned anything about my conspiratorial activity? Only very few people knew where and how vigorously I fought. But they could not let it become generally known, and neither could I. My friends and acquaintances abroad were almost better informed about my attitude than people at home. I had sought help and understanding again and again from American representatives in particular. My colleagues on the Administrative Board of the Bank for International Payments in Basle were also aware of my attitude at the time. And in particular the British Broadcasting Corporation never seemed to grow tired of mentioning my name as an opponent of the Nazi party, thereby compromising my safety.

I had repeatedly been reproached on account of my connections abroad. It was left to Colonel-General Jodl to make a feeble attempt to establish a new 'stab in the

back' legend by referring in his concluding speech to the court to the treachery which, as the trial had shown, had existed in the German camp from the very beginning. Jodl's lawyer had also sought to question the moral qualities of those who had thought as I did by making similar charges. My counsel answered him trenchantly: "An unbridgeable gulf separates those who adopted Schacht's standpoint from those who adopt the views with which my learned friend seeks to establish the moral turpitude of Gisevius, the dead Canaris, Oster, Nebe, and the others. . . . Patriotism means loyalty to one's country and one's people, and war to the knife against anyone who criminally leads them to misery and destruction. Such a leader is an enemy of the Fatherland, and a far greater danger to it than all its wartime enemies. Any means is justified against such a felonious government; scruples are out of place in the struggle against the unscrupulous. Treason against such a government is true and authentic patriotism, and as such it is highly moral, even in war time." No one who pursues immoral and criminal aims has a right to expect that honest men will assist him. On the contrary, they will always turn against him.

Hitler and those around him sought to persuade the world that the German people were behind him in everything he did, no matter how brutal and inhuman it was. My friends and I have done everything possible to convince the world that this was very far from being the case; that when the German people learned of the hideous crimes of the Hitler regime they condemned them roundly, and that unfortunately they were either kept in ignorance of them or prevented from resisting them by terrorism.

The prosecution in Nuremberg therefore did not find it easy to collect material against me. The most capable

lawyers of four nations, with an enormous staff at their disposal, worked for many months on a great mass of captured documents, protocols, letters, notes, diaries and other written material to collect sufficient compromising proofs to bring about the conviction of most of those who were accused of crimes against the peace, against the laws of war and against humanity. It proved impossible to make any charges against me in respect of crimes against the laws of war or against humanity, whilst the indictment, built only on assumptions and interpretations, for offences against the peace of the world, broke down and the trial ended in my acquittal.

Chapter Eight

THE INDICTMENT

THE Nuremberg Trial was necessarily a political trial. The indictment had two fundamental aims. One of them was to proscribe or outlaw war, a justifiable aim approved and supported by everyone. But the fact that charges of having offended against the laws of war and against humanity were added to the charge of violating the peace of the world, gave a certain politico-criminal aspect to the main aim of the trial, the outlawing of war, and served as a distraction. These former charges would have been better separated from the main charge. The vast amount of politico-criminal material the prosecution brought forward on these two former charges made it difficult for the court to concentrate on the chief political motif of the trial, the outlawing of war, and to keep it in the forefront of the proceedings.

The second fundamental aim, namely, the outlawing of the Nazi ideology, was far less simple to achieve. This part of the indictment revealed a disturbing kinship with the proceedings of a mediaeval inquisition, in which the accused were charged not with sins of commission or omission but with wrong ways of thought. National Socialist 'ideology' was placed in the dock. Such an indictment was necessarily ineffective because never in history has a way of thought been exterminated by legal proceedings. Neither fire nor gallows has ever contributed to the destruction of things of the mind. Wrong ideas, wrong

opinions and wrong principles can be opposed only with right ideas, right opinions and right principles. If there was anything right and good in National Socialism then it will persist in defiance of all the courts in the world. But what was bad in the National Socialist ideas must be confuted, and has in fact already been confuted and dismissed.

According to the Nuremberg indictment the Nazi ideology was founded essentially on four main errors. These were: its racial teachings; its glorification of war; its leadership principle; and its one-party system, which included its totalitarian dictatorship and the suppression of all differing opinions. According to the indictment these four points represented the supporting pillars of the Nazi ideology, and it then went on to say that the Enabling Law, the process of political *Gleichschaltung*, or enforced conformity, the suppression of constitutional civil rights, the Nazification of the civil service and of the judiciary, the suppression of the trade unions and, finally, the methods of terrorism and police-espionage practised by the Gestapo, and the persecution of the Jews and of the Christian Churches, were the practical instruments for their extension.

It is important to note that neither the four points of the Nazi ideology nor the methods by which they were put into execution could be discovered or inferred from a reading of the official programme of the Nazi party. This programme makes no mention whatever of the leadership principle or of the one-party system. It does not glorify war, and as far as the Nazi racial teaching is concerned it specifically grants the Jews the same legal rights as those enjoyed by foreigners. In religious matters it stresses that the Nazi party stands on the basis of positive Christianity.

It is almost more important to note that with the exception of the terror and the persecution of the Jews and the Christian Churches, all the other executive measures for establishing the predominance of Nazi ideology were carried through with the co-operation of Democratic circles and the toleration of Social Democracy. The terror and the persecution of the Jews and of the Christian churches met with the disapproval of all classes of the population from the beginning, but the political and constitutional *Gleichschaltung*, or enforced conformity, of the German States, the destruction of constitutional liberties, the gagging of the civil service and the suppression of the trade unions, all took place without the least resistance on the part of those affected.

Do the four points listed by the Nuremberg indictment really constitute a new ideology which can be called National Socialist? In our own day and in all countries scientists have come forward to uphold the necessity of racial preservation. At all times and amongst all peoples war has found its poetic glorifiers. And in times of trouble and stress in the lives of nations the leadership principle has been recognized as useful and justifiable—and put into effect. Even repressive measures against political opponents and hostile opinions were quite common in the days of Absolutism; why, we even see them being introduced to-day by Democrats to ward off Communism. Thus none of these four principles represented anything new; they were all taken from the historical past.

But perhaps the methods by which National Socialism put these principles into practice were new? At all times despotism has used methods of terrorism, persecution and espionage to bolster up its power. Even people who regard present day social conditions in Russia as desirable cannot

ignore the fact that they were brought into being by terrorism and violence.

No, National Socialism was really not a new philosophy of life at all. A philosophy of life can only be a compendium of those moral principles which can serve man as a sound basis for confidence in the face of all earthly phenomena. Thus a philosophy of life cannot be rooted in the world, but must rise above the world. It can be rooted only in the transcendental, the metaphysical and the religious. Whoever thinks and lives in accordance with a philosophy of life must seek to allow the divine consciousness within him to speak. Only in this way can he save himself from superficiality, recklessness and oversight. Only in this way can he learn moderation in all things. The fact that Hitler showed nothing of this moderation in anything is an indication that he had no philosophy of life at all; that he was a pitiful creature who had never become conscious of his divine origin. The satanic 'Master of the World' had seized upon him. The good there was in the leadership principle, in racial consciousness and in a militant will to survive was turned into something criminal by Hitler's recklessness and superficiality.

The racial question played a great part at the Nuremberg trial particularly in connection with the persecution of the Jews, and the prosecution brought forward ghastly revelations concerning its nature and extent. Racial preservation is certainly an important problem wherever widely different racial mixtures are present on a large scale. Racial preservation is not a German invention, or even a National-Socialist invention. It is superfluous to mention such non-German names as Gobineau and Houston Stewart Chamberlain. The Americans themselves have a much more extreme representative of such

ideas in the person of Madison Grant, who sees a whole series of dangers arising out of the famous 'melting pot' which constitutes the United States. It is a tragic irony that one of the most disagreeable applications of the racial theory is found precisely amongst the Jews themselves, and it is documented in the Old Testament in the Books of Ezra and Nehemiah. Consider for instance, the tenth chapter of the Book of Ezra: "And Ezra the priest stood up, and said unto them, Ye have transgressed, and have taken strange wives, to increase the trespass of Israel. Now therefore make confession unto the Lord God of your fathers, and do his pleasure: and separate yourselves from the people of the land and from the strange wives. Then all the congregation answered and said with a loud voice, As thou hast said, so must we do."

The racial problem is not so acute for the German people that anyone is justified in basing political demands on it. And the balderdash about 'the Nordic master race' talked by some of the National Socialist luminaries was treated with ridicule by the German people. This propaganda about the master race sprang from a very lively feeling of inferiority on the part of those who indulged in it. The leaders of the Nazi party were certainly not ideal Nordic types.

As far as racial feeling towards the Jews is concerned, I have always considered the Old Testament idea of the Jews as 'the Chosen People' highly distasteful and provocative. As a Christian I believe in brotherly love to all who bear a human countenance. On the other hand I have always been a conscious and convinced German, not in the sense of any narrow-minded nationalism, but from the feeling that I must stand four square where God has pleased to plant me and develop such talents as He has

pleased to give me. And I have always been proud to belong to a people who have been amongst the leading cultural nations of the earth for a thousand years, a people who have given the world men like Luther, Kant, Goethe and Beethoven, to mention no others. Nationalism to me has never meant anything beyond the strivings of a people to forge ahead by their moral stature and intellectual achievements and win a leading position in the cultural sphere. All peoples are entitled to self-respect. But self-respect presupposes respect for others too. The maintenance of our own special qualities does not mean the disparagement of the qualities of others. The recognition of others' achievements can only encourage our own.

I have often stated my views on war and militarism from both economic and moral standpoints. Although I have always upheld the necessity of national defence against foreign aggression, and have therefore always been in favour of military preparedness, I have also always regarded war as one of the most pernicious of those elements which destroy culture and civilization. Economically considered, modern warfare brings no benefits either to the victor or to the vanquished, but disadvantage to both. The first world war was a sufficiently striking example of this. World trade never completely recovered from this first heavy blow. And worse than that, the economic distress throughout the world after the first world war was one of the hidden factors which contributed to the outbreak of the second world war. The hopes of one or two English Chauvinists who welcomed the first world war because they thought it would lead to a revival of English trade were radically disappointed.

War not only does incalculable material damage, but the damage it does to the morals of nations and to their

mutual confidence is even worse. I have always considered the profession of the soldier not only necessary, but one of the most self-sacrificing and self-effacing of professions; not because in war the soldier must risk his life—every able-bodied citizen has to do as much—but because the whole efforts of the military profession must be directed towards preventing as far as possible the exercise of the professional skill acquired. A professional soldier who is not a pacifist has mistaken his vocation. The aim of the soldier is not war, but the maintenance of peace.

The leadership principle played a great role in the case for the defence at Nuremberg. A number of the accused, the soldiers in particular, replied to the charges against them by declaring that as officials, or officers, they had acted under orders given to them by their superiors and that they had had no right to refuse to obey. This objection was put forward despite the fact that the statutes of the court had already laid it down that it was no answer to a charge of wrongdoing to reply that it had been carried out under orders. In the best case this might serve as an extenuating circumstance. Nevertheless, the defence in Nuremberg put forward counsel's opinion which sought to give all orders of the Fuehrer the force of constitutional law, and declared: "Whoever, as an official of the hierarchy, appeals to an order of the Fuehrer, is not thereby claiming immunity for the perpetration of an unlawful act, but is denying that his act was unlawful, for the order which he carried out was indisputable."

This passage reveals the full extent of the moral confusion into which the German people had fallen as a result of their spiritual and physical distress. Counsel's opinion quoted above regards the leadership principle as having been the organic principle determining German

constitutional development after 1933, and contends that in the course of the years this principle developed from exemplary guidance to a matter of unquestioned obedience. Learned counsel does not explain this development; it just 'became' so. But how it became so is a highly important question. "The order of the Fuehrer became the central element of the German Constitution.... There was no opposing the order of the Fuehrer. . . . If the Fuehrer upheld his order then the matter was settled." With such and similar bald statements learned counsel places the 'Fuehrer' above German law and above the Constitution.

Happily whoever drafted this opinion does not fail to recognise its monstrous implications and he therefore leaves open the question of whether the Fuehrer's orders were issued in violation of the normal canons of international law, morality, religion and conscience, and whether they developed their authority illegitimately. But one way or the other the opinion proceeds, it was not the right—and was certainly not the duty—of the links in the Government or in the administrative hierarchy, i.e., either State officials or officers of the armed forces, to examine whether the orders given to them were lawful or not. The history of constitutional law showed that such a right was granted only to certain links in the hierarchy, and even then not without qualification. In so far as such a right was not granted no examination of the lawfulness of the order could take place.

Learned counsel's opinion does not deal with the question of whether such right of examination existed for any members of the German hierarchy, and if so, for which? It declares, however, that in every State there is a supreme will to which all owe obedience, irrespective of right or

wrong. This will is embodied in existing constitutional bodies. And at this point in the argument, the Enabling Law of March 24th, 1933, obviously offers learned counsel an opportunity to declare that by virtue of this law all constitutional power was concentrated in the last resort in the hands of a single man whose orders thereby became binding as such for all members of the hierarchy. Here we can observe the fatal legal consequences of the failure of the democratic parties in the Reichstag. This one man, declares learned counsel, became *legibus solutus* for the hierarchy. The 'Fuehrer' took the place of constitutional law.

The proclamation of such a juristic conception is monstrous. No one who has carried out a criminal order against his own conscience can hope to escape from his responsibility by such legal jugglery. German military law expressly provides that a subordinate shall be liable to punishment if he carries out an unlawful order, for instance, an order to kill a prisoner of war.

But this opinion of learned counsel errs not only in content but in form. He contends that the 'monocratic' rule of Hitler came about partly through proper forms, that is, by legal instruments, and partly 'by recognized custom'. If we put the culmination of this monocracy at the moment when, unasked and against their will, Hitler plunged the German people into war, that is to say in August, 1939, we observe that this transition 'by recognized custom' from a democratic to a monocratic constitution was completed in about six years. That is hardly credible for the development of law based on recognized custom, particularly for a law of such a revolutionary character. And as for this 'recognized' custom, the German people were bound and gagged by

terrorism and espionage and were never in a position to choose between recognition and non-recognition. All they could do was to keep silent, and silent they had to remain. The Weimar Constitution was never repealed. The Enabling Law merely suspended certain of its articles. The leadership principle was never introduced as a constitutional principle by any legislative act. 'Custom' is said to have established it. But how did custom establish it? Learned counsel's opinion provides no answer. But history will not be at a loss for an answer. It will say that the acts of violence committed by the Hitler regime were largely made possible by the conscious and responsible co-operation of a hierarchy whose members failed to insist that the legal and constitutional limits which not only they but also their 'Fuehrer' had sworn to observe, should be respected.

It was certainly a very great political error that both government and Reichstag surrendered essential rights to the Reich's Chancellor, but this surrender did not include the liberty to disregard those remaining laws and institutions which had not been suspended. For instance, the constitutional provision that no war might be begun without a previous decision of the Reichstag was never suspended, not even by the Enabling Law.

How could the Foreign Minister and the Minister for War accept and carry out the order of a single man to plunge the country into war although they knew that constitutionally only the Reichstag held such powers?

To kill in any other way but by due process of law was a punishable offence in Germany even after the passing of the Enabling Bill. How could the Minister for Justice present a Bill which retrospectively legalised the murders of June 30th? It was legally possible to pass a law indemni-

fying the offenders, but it was impossible to declare that the murders were lawful.

The Reich had undertaken to repay the twelve milliard marks lent on the Mefo Bills. How could the Finance Minister simply refuse to meet this obligation when the Reich was actually in possession of the funds which would have enabled it to fulfil its obligations?

Such examples could be multiplied *ad infinitum*. It is sufficient to recall the many illegalities of the Gestapo and the failure of the judical authorities to deal with them according to law.

The higher the position of an official or an officer in the administrative hierarchy the more vigorously he should have opposed any illegality, and the more determinedly he should have refused his co-operation, as I did. The War Minister should have said: "According to the Constitution on which I took my oath, war can be declared only by a decision of the Reichstag. Without such a decision of the Reichstag I should be breaking my solemn oath, and this I am not prepared to do." The Minister for Justice should have said: "Unlawful killing can never be lawful. As I have taken a solemn oath to uphold the law of the land I cannot put forward a Bill such as you propose." The Finance Minister should have said: "A refusal to discount the Mefo Bills despite the fact that I am in possession of sufficient funds to do so would be fradulent, and I will be no party to fraud."

No terror would have been able to do anything against such an attitude. For my part I rejected not only all illegal demands which were made on me, but also all demands which I considered unprincipled. I was told to discriminate against officials who had been Freemasons. I refused. I was told to allow the political opinions of my officials

be controlled by the party, I refused. I was expected to adapt myself to Goering's demands in the matter of armaments. I refused. I was expected to meet the expenditure of the State by putting the printing presses into action. I refused. I was expected to co-operate in the occupation of Belgium. I refused. I was asked to deceive the German public concerning the strength of U.S. war potential. I refused. I refused to make even the smallest concession to what I held to be wrong. If only all others in responsible positions had acted in the same way!

As soon as a difference of opinion is transferred to the moral sphere no persuasion and no compulsion can be effective. They all give way before the conscience which binds us to God. Monocracy, Oligarchy, Democracy, Conservatism, Liberalism, Socialism, and Communism, all these political forms and methods of government are possible at a given time and have been in operation. But each of them has broken down when it has abandoned the moral basis which is the absolutely inalienable condition under which men live together. Men and empires come and go, but moral imperatives endure for ever.

If Hitler had confined himself to normal executive methods in fundamental matters, and had he kept a sense of proportion, then gradually National Socialism would have lost its rough edges in the practical day to day work of governing the country, and have proved a tolerable and perhaps even useful form of governance. But Hitler grossly overshot the mark in everything he did, and his methods were damnable. Both these facts became obvious only after the passage of time. At first the Nuremberg prosecution tried to present National Socialism as criminal from the beginning, that is, from the proclamation of the party programme in 1921, but that soon proved untenable,

and some of the prosecutors then adopted the standpoint that its criminal character first developed with the establishment of totalitarian power, perhaps in 1934, when the Enabling Law had found expression in legislative practice.

The text of the party programme could not possibly be regarded as criminal. Even *Mein Kampf* contained nothing about the persecution of the Jews, about war with the 'hereditary enemy', France, or about the annexation of Russian territory. And, in fact, the last-named item was specifically declared to be out of the question as long as Great Britain refused to agree to it, a contingency for which there was, of course, not the slightest hope. It even came about that during the course of his first few years in power Hitler quite officially dissociated himself from various views on foreign policy expressed in his book. It would have been quite incomprehensible for France and Russia to have maintained diplomatic relations with a government whose leader they considered capable of carrying out such threatening intentions. In general, the fact that for years other countries maintained correct, polite and, in some cases, even friendly diplomatic relations with this 'criminal' government, made it very difficult for the prosecution to prove that the accused were conscious of the criminal nature of National Socialism.

In many respects the first years of Hitler's rule gave rise to hope and confidence. I am not thinking so much here of Hitler's pacific speeches, which afterwards proved to have been a fraud, but of the practical achievements of those first years. The great army of unemployed was broken up rapidly. The credit assistance made available by the Reichsbank contributed successfully to the economic recovery of the country and greatly increased the revenues of the State. The fixing of wages was carried

out in agreement with governmental 'Labour Trustees' to the satisfaction of both workers and employers. Industrial peace was established. Both strikes and lockouts became things of the past. Various institutions and practices, such as factory representatives, labour service, annual agricultural service and so on, all combined to create a hope that the class struggle we knew so well might, after all, be banished for good. Foreign countries made no effort to conceal their astonishment and admiration at these measures and at the success they had met with. The late Sir Nevile Henderson, formerly British Ambassador in Berlin, is quite right when he writes in his book *Failure of a Mission:* "There were certainly some things in the Nazi organizations and their social institutions . . . which we could study and use for ourselves with great advantage for the health and welfare of our people and our old Democracy." Numerous quotations of a similar nature could be quoted from prominent and competent foreign observers. For instance, such a critical and cautious observer as the former U.S. Secretary of State, Sumner Welles, writes in his excellent book *The Time for Decision* concerning that first period of Hitler's rule: "Business men in every one of the Western Democracies and in the New World welcomed Hitlerism as a bulwark against Communism."

And yet Hitler's concentration camps were already in existence; the party blood bath of June 30th, 1934, had already taken place; and the preliminary outline of the regime of tyranny was already clearly visible and generally recognized. Criminal as all these things have since been recognized to be, at the time none of them prevented a single foreign government from maintaining diplomatic relations with Hitler's government. Foreign governments

signed agreements with Hitler; they sent diplomatic and military representatives to Germany; ministers in office and other leading politicians and statesmen made visits to Berlin; and international congresses of all sorts, and in particular, the Olympic Games, brought thousands of foreigners to Germany. How were the German people supposed to realize that they were living under a criminal government when foreign countries treated this same government with such marked respect?

Again and again during the Nuremberg Trial astonishment was expressed that such a clever man—they paid me that compliment—as myself could have been deceived by Hitler. I have two answers, and they complement each other. First of all, I ask whether in fact the whole world was not deceived by Hitler. And I am certainly no cleverer than the rest of the world. Why were the reactions of foreign countries to Hitler different from their reactions to his predecessors? The first great breach of the Versailles Treaty was the reintroduction of compulsory military service in 1935. What was the reaction of foreign countries to this? The British Foreign Secretary, Sir John Simon, announced: "There is no doubt that the intention was to follow up the enforced disarmament of Germany with an agreed reduction in the armaments of other leading countries." That was all, and it was no more than numerous allied statesmen had repeatedly said at various meetings of the League of Nations on previous occasions. The fact that they had spoken in vain now seemed to justify Hitler's proceeding. Just one week after the proclamation of the compulsory military service law Hitler could still entertain two leading British statesmen, Simon and Anthony Eden, in Berlin.

Another clear breach of the Versailles Treaty by

Germany was the military re-occupation of the Rhineland in March, 1936. It violated not only the Versailles Treaty but also the Locarno Pact, which Germany had freely signed. Referring to this treaty violation in the House of Commons, Mr. Baldwin declared that although one could not excuse Germany's action there was no reason to believe that it constituted a hostile act. And a few days later the signatories to the Locarno Treaty presented a memorandum to the League of Nations Council proposing that the German troops in the Rhineland should be limited to a maximum of 36,000. In other words, they recognized the occupation.

When it became known in the summer of 1936 that Germany was once again fortifying Heligoland, the British Foreign Secretary, Eden, observed in the House of Commons that it was not considered opportune to disturb the current negotiations for an Anglo-German Naval Agreement by any discussion on such details. The Anglo-German Naval Agreement was signed and thus Germany's rearmament was recognized *de jure*.

All these things show that, despite all his 'crimes', Hitler was fully accepted by foreign governments and treated with much greater consideration than had been shown to his 'ethical' predecessors. How can anyone believe that such a thing could remain without influence on the German people? The patience and moderation shown by Germany's democratic governments under Stresemann, Bruening, and others, resulted in one humiliation after the other. On the other hand, Hitler's vigorous and confident methods led to success after success. The fact that foreign governments assiduously ignored the immorality and violence of his actions did much to encourage the German people to do the same.

But my second answer is still more important. Whatever caused the rest of the world to be deceived by Hitler and persuaded it to overlook his disregard of moral principles had no effect on me. Whether it was ignorance or stupidity, approval or fear, dictated the attitude of the rest of the world, nothing of the sort is true of me. The truth is that I was not deceived by Hitler at all. If I had felt any moral obligation to him then I should have been helping him in some way or other even before his electoral success in July, 1932. However, I did nothing of the sort; I did not assist him in any way, either by word or by deed. But when Hitler won forty per cent of the seats in the Reichstag in July, 1932, then it became clear to me that on the basis of all democratic parliamentary procedure Hitler was entitled to be entrusted with the formation of the new government, and it was at this point that I sought to obtain some influence over him. I did not, however, make a single concession to him which went against my principles. I certainly saw both what was good in him and what even then gave rise to misgivings. I entered his government not as his follower but in order to influence and correct him, to oppose what was bad and facilitate the development of what was good. When I did so I was just as much opposed to the violence and excesses of his party as I had always been and have always remained. That is the simple answer. My misfortune to-day is that at the time I could not tell the public frankly what I intended to do because such frankness would have made it impossible for me to do it. But those who worked with me in the Reichsbank and in the Ministry of Economics know that this was my attitude and they have given evidence to that effect.

Those collaborators of Hitler who failed to oppose his

policy when it subsequently became more and more criminal, bear a full measure of responsibility for this development. And this applies above all to his military collaborators. Very few of Germany's Generals were fanatical National Socialists, but unfortunately they were not pacifists either. They willingly lent Hitler their services when he made his plans for foreign conquests known to them. The light cast by the prosecution at Nuremberg not only on the moral courage but also on the military judgement of these people must destroy the reputation of the German General Staff for ever. Under Hitler's influence Germany's glorious military tradition came to an abrupt end. Like their predecessors these high officers were personally courageous. They did not hesitate for one moment to face certain death in battle when ordered to do so. They were men who in normal circumstances would have regarded any unchivalrous, not to speak of any inhumane, conduct as inconsistent with their honour. They were men who of their own free will and knowledge would never have committed any action against humanity or against the laws of warfare. But they succumbed to the influence of a criminal whom political circumstances had made their superior. They lacked moral courage. When orders came from above they forgot their own moral obligations. They did not want the war and they were, many of them, doubtful of its success, but they waged it. Honour and glory and our deep gratitude to all those courageous officers who risked their lives to oppose Hitler's war lunacy and thus saved the memory of Germany's honourable military traditions from disgrace!

Hitler's generals made war on the basis of totally inadequate armaments. Field-Marshal Milch declared in evidence at Nuremberg: "In those few years from 1935

to 1939 it would probably have been impossible for any country to have built up an air force capable of carrying out the tasks we were asked to perform from 1939 on-onwards. In such a short space of time it is impossible to create sufficient units, to establish sufficient training schools, to provide them with training personnel, to design the aeroplanes themselves and to turn them out in mass production. It is impossible to train sufficient personnel capable of meeting the high technical demands of a modern aeroplane; just as it is impossible in so short a time to provide efficient ground personnel, and at the same time to develop the aeronautical industry." And Milch expressed the opinion that at the outbreak of war the British Air Force alone was stronger than the German. The bombastic speeches made by Goering at the beginning of the war about our Luftwaffe were, of course, deliberate falsifications of the truth.

Giving evidence at Nuremberg, Field-Marshal Kesselring also confirmed the inadequacy of the Luftwaffe as reported by Milch. The evidence given by Grand Admiral Doenitz was almost more devastating. He declared that at the beginning of the war Germany had only fifteen submarines capable of operating in the Atlantic. Giving evidence regarding the state of the army, Colonel-General Jodl declared that although Germany had between seventy-three and seventy-five divisions on September 1st, 1939, their equipment was far from adequate. It was with such slender resources as these that Hitler plunged Germany into a world war.

Let us for the moment ignore the question of moral responsibility for the war and confine ourselves to a discussion of the military factors. Hitler had assured his military leaders that Great Britain and France would not

intervene in Germany's war against Poland. Now although they were justified in believing that with her available military resources Germany could win the war against Poland, on September 3rd, 1939, the military picture changed and the time came for them to speak out. On that day the ultimatums arrived from Great Britain and France, and Germany was faced with the certainty that if she ignored them the localised campaign against Poland would develop into a second world war. Not one of the military men who gave evidence at Nuremberg tried to pretend that Germany was prepared to wage a world war in 1939. There was no question here of any political decision but solely of a military one. The simplest military verdict on Hitler must be that Germany's armaments were not adequate for the waging of a world war.

But at the Nuremberg Trial I also stressed the political responsibility of at least those soldiers who sat in the Reich's Cabinet either as War Minister or as Supreme Commanders of the three branches of Germany's armed forces. On the eve of the war against Poland I tried—unfortunately in vain—to get into touch with General Brauchitsch at Army Headquarters in Zossen. When I was asked in Nuremberg what I intended to say to Brauchitsch and the other Generals at the time, I declared: "I wanted to remind Brauchitsch that he had taken a solemn oath on the Constitution and that there was an article in that constitution, which had never been suspended, which declared that no war might be waged without the previous approval of the Reichstag. Their oath to Hitler did not invalidate their oath on the Constitution, and in fact the oath on the constitution took precedence over the oath to Hitler. It was therefore their duty to see to it that the question of war or peace was brought before the Reich's

Cabinet for discussion and, once the Reich's Cabinet had decided, before the Reichstag." And I added: "If both these things had been done I am convinced that there would have been no war." But none of the Generals moved a finger. They thought they had to keep their oath to Hitler, and consequently hid from their responsibility behind that oath. At the same time the oath which they had taken on the Constitution, that is to say, the oath they had taken to the German people, they ignored as though it had never been taken. But leaving aside the question of obedience to superior authority, the decisive point is that Hitler himself did not act lawfully but in violation of the law. He broke the solemn oath he had taken on the Constitution and none of the Generals had moral courage enough to remind him of it.

And yet it was only the Generals who were in a position to remind him of it. Most of the Reich's Ministers were kept completely in the dark. Even when I proposed to go to Zossen it was purely on the basis of a rumour. What I have already set down as having taken place in connection with the famous Hosbach session in November, 1937, was repeated: those Generals who were members of the Cabinet kept what they knew to themselves without giving their civilian colleagues in the Cabinet so much as a hint of it. Not all the cleverness in the world could help me there, and therefore the question I put to my subsequent critics becomes all the more bitter: why were my warnings not heeded when there was still time to avert Hitlerism? Why did those in authority abroad not listen to me when I urged them to show political and economic accommodation towards Germany? Why did not Bruening take the National Socialists into his Cabinet when I advised him to do so? What did the democratic and Communist leaders

do to prevent Hitler's electoral success? What had they got to put forward instead of a Hitler Cabinet after the National Socialist electoral successes of July 1932? Why could not the two working class parties unite against Hitler at that time when they had more seats in the Reichstag than he had? Why did the democratic parties present Hitler with his Enabling Law? Why did foreign governments allow Hitler to score one success after the other when they had previously refused them to Stresemann and Bruening? Why did a leading foreign statesman refuse any support for my policy towards the end of 1938 with the ironical question: "What has Schacht behind him?"

It is quite true that there was nothing visible behind me but a moral conception of public affairs. But unseen at my back was the slumbering conscience of almost the whole of the German people, with perhaps the sole exception of some of those who benefited from National Socialism. It was only necessary to awaken this slumbering conscience for it to flare up in moral indignation against a tyrannous and immoral regime. All that was necessary was to give it a little knowledge and the chance to judge for itself, and the assurance that the conscience of the world was at one with it. But since Versailles morals in foreign politics were at a low ebb. So many injustices had been committed in the international sphere that it was difficult to appeal to moral standards.

When I entered the Reich's Government in August, 1934, Hitler's totalitarian power was already firmly established. Every basis for a counter-movement against him at home had been destroyed. The business world, science, and the Church were all silent. The trade union organisations had allowed themselves to be dissolved without pro-

test. Politicians who felt themselves threatened had emigrated abroad. All open criticism and all opposition to Hitler had been made impossible. If there was to be any room for criticism, and any chance for moderation and reason to make themselves felt, then it could be only inside the Nazi Government itself. And that is why I entered it.

I was accused in Nuremberg by Herr Severing of having betrayed democracy. As a conscientious democrat he reacted to his electoral defeat by leaving power in the hands of the victor. He had not been strong enough. The fault for that lay in the Constitution, not in his own character. The question of blame arises only when Herr Severing, who foresaw war even on January 30th, 1933, refused to take part in an attempt to overthrow Hitler in the autumn of 1943 merely because Herr Schacht was one of the party. When the witness Gisevius, who was examined at Nuremberg long before Severing, was asked whether political left-wing circles sympathised with a putsch or with an attempt on Hitler's life, he replied in the negative and explained: "Left-wing circles were greatly influenced by the belief that the so-called stab in the back legend had done very considerable damage in Germany. They did not feel themselves justified in running the risk of having it subsequently said that Hitler and the German Army had not been defeated in the field. For years they had been of the opinion that it was absolutely essential that the German people should realize beyond all question that militarism was responsible for the murder of Germany, no matter how bitterly the German people might have to pay for that lesson." If that was the policy of the democratic Left and, according to Gisevius, who maintained connections with it, it was, then it was the

only democratic policy which was successful. But it cost the lives of twenty million people and it spelt the end of the German Reich.

I was also asked in Nuremberg why I did not leave Germany. My answer was as follows: "If it had been merely a question of my own fate, nothing would have been easier. But it was not. I had devoted my energies to Germany's public weal since 1923, and I now felt that the very existence of my people and my country was at stake. I know no case in history of emigrants having done their own country any good. To sit safely in some secure spot abroad and write articles which no one at home reads is as easy as it is useless." Departmental Chief Schmidt, deposed in Nuremberg: "Schacht considered it an essential patriotic duty to influence events from important inner focal points, and he sharply condemned emigration and the flight to comfortable funk holes. . . . The greater were the anxieties created by the rise of the Radicals the more firmly Schacht was of the opinion that the moderate elements must refuse to desert and that every counter-position must be held."

Ministerial Director Schniewind, also deposed: "Dr. Schacht was one of those men who believed that the fatal development of Nazi policy could be prevented only if we were in possession of power and influence, and that in the event of governmental changes we could seize the reins only if we were ourselves in the Government. Schacht therefore demanded of certain men that they should not leave the service of the State. On this account therefore I had already rejected several offers of well-paid positions in the business world. In the autumn of 1935 Herr Dr. Jeidels, who is now Vice-President of the Bank of America, and who was then proprietor of the Berliner

Handelsgesellschaft, asked me whether I would care to go into partnership with him. As I had already often had doubts as to the usefulness of our struggle I gladly accepted his offer. Dr. Jeidels then took up the matter with Dr. Schacht, who sent for me and asked me what was to happen to the ship of State if people like me abandoned it."

Thus I entered Hitler's Cabinet, not out of any sympathy with him or his aims, but because of my political anxieties. I wanted to assist moderation and reason to come into their own, and at least make an attempt to put the brake on totalitarian radicalism from the only vantage point from which it was possible to do so. I was fully aware that I was taking on a difficult and dangerous task, but it seemed to me more courageous and more patriotic than apathy or emigration. I certainly did not foresee that I should be hauled before a political court on account of this very courage and patriotism by those who had themselves given up the struggle and emigrated. But even if I had, I would still have acted as I did.

So long as I was able to keep myself in office my efforts were successful. For instance, as long as I was Minister of Economics, I succeeded in preventing anti-Jewish measures in the economic sphere. Hardly was I out of office than the expropriation of the Jews began. Giving evidence in Nuremberg, Departmental Chief Heiler, mentioned a remark made by Himmler in connection with a complaint about the pogrom of November 9th, 1938: "All you can expect of Schacht is constant obstruction and opposition to the will of the Party."

I kept Germany's currency stable and I repulsed every attempt to misuse the Reichsbank. My success was enhanced by the fact that thanks to my finance policy six

and a half million unemployed workers were given work and wages again. I had to be removed abruptly from my office as President of the Reichsbank before Hitler could reopen the door to inflation.

In the sphere of colonial policy I succeeded in breaking what had been solid ice up to that time.

In the sphere of commercial policy I opened up new avenues which promised to lead to a revival of world trade.

The restoration of Germany's domestic economy and the abolition of unemployment had so increased the revenues of the Reich that it was possible to meet all current obligations without difficulty.

I had done all that was possible for the maintenance of peace by slowing down the rate of rearmament and limiting armament credits.

It is not to be denied that from beginning to end my policy provoked growing hostility from the party, particularly when radical fanatics began to obtain more and more exclusive control of the party machinery. They made difficulties for me as often as they could, but as long as Hitler shielded me, their hostility had to be largely concealed. Once I was out of the Reichsbank they came into the open. On January 30th, 1941, in connection with the celebration of the eight anniversary of the seizure of power, the *Voelkischer Beobachter* featured all the dates, events, and personalities of the Nazi Government. And in the whole review, which spread over many columns, and included even minor and unimportant details, my name was not once mentioned. I think it hardly possible to produce clearer proof that I did not belong to the clique.

The final breach with Hitler came about in connection with my opposition to excessive armaments. The object

I had in view, and which I was prepared to pursue in collaboration with Hitler, was Germany's political equality in the concert of nations and the restoration of her full national sovereignty. That could have come about, as was provided for in the Versailles Treaty, by general disarmament after the disarmament of Germany had been carried out. At first Hitler also repeatedly demanded this disarmament in various speeches. It proved a fatal thing for Europe that this promise of disarmament was not kept, for now there was nothing left for it but for Germany to rearm.

I was unable to reject this alternative, but for a long time I hoped that our rearmament would give rise to a new discussion of the problem of general disarmament. If of two parties who have drawn up an agreement, one party does not abide by the agreement and the other party has no hope of enforcing the contract, then the second party has no alternative but to regard himself as no longer bound by the agreement. But when that happens one naturally expects the first party to say: "Very well, let us come together again and discuss the terms of our agreement." It was a real disappointment for me that nothing of the sort took place, and when later on the American Ambassador in Moscow, Mr. Joseph Davies, informed me while he was in Berlin of a new disarmament proposal which President Roosevelt intended to put forward, I welcomed it enthusiastically.

On one occasion when he was in Berlin Ambassador Davies reported to President Roosevelt a conversation he had had with me: "I told Schacht that in a talk with me the President had discussed the European situation and considered whether a solution might not be found by an agreement between the European nations to reduce arma-

ments to a purely defensive military basis by the abolition of the air arm, tanks and all heavy equipment, and by limiting armaments to such weapons as a man could carry on his back; combined with an agreement on the part of these nations that adequate control of the plan should be exercised by a neutral State. Schacht was inspired with enthusiasm by this idea. He declared that it was the perfect solution and he added that its simplicity revealed great genius. His enthusiasm was unusual. I asked him whether he thought the German Government would be prepared to consider such a plan, and he affirmed with complete confidence that it would."

However, in the meantime nothing happened and our rearmament continued. In his conversations with me Hitler had originally limited this rearmament up to the summer of 1936. I successfully did everything in my power to confine Germany's rearmament to this limited framework. But as early as the year 1935 I began to put the brake on when I noticed that Hitler was setting his aim still higher. It was clear to me that our rearmament ought not to go so far as to cause fears amongst our neighbours. I also realized that every instrument carries with it a tendency towards its own employment, and that had to be prevented under all circumstances here. Therefore from 1935 onwards, both in my official correspondence and in my official discussions, I constantly urged that armaments should be limited, and at the same time I quite deliberately cut down supplies of foreign exchange, raw materials and money.

From his own point of view Hitler was quite right when he accused me of sabotaging Germany's rearmament. But not only was he objectively in the wrong as far as his own policy was concerned, he also attempted to deceive me

concerning the volume of armaments and the intentions behind them. He kept me completely in the dark concerning his war plans, although they had already taken definite shape even in the autumn of 1937. It was only after the Fritsch crisis had led me to the conclusion that Hitler was steering for war that I organized the coup d'état with Witzleben. When this plan was frustrated by the Munich conference I had recourse to an absolute refusal to provide money and was then dismissed.

My attempt to hold up the wheel of tyrannous government under Hitler failed. I was unable to prevent the landslide, but, following the dictates of my own conscience, I did my best. I am not raising any question of blame in connection with those who thought but did not act as I did. I merely place the fact on record that no help of any sort came from them; neither from the class-conscious workers; nor from the disciplined military; nor from the liberal bourgeoisie; nor from scientific circles; nor even from the Church.

Chapter Nine

THE GUILTY MAN

THE political gambler, the irresponsible adventurer, into whose hands Germany's fate had fallen, and at whose hands she met disaster, that wretched creature Adolf Hitler, rose practically from the gutter. His origin is obscure. Any attempt to draw up a family tree is immediately frustrated by a jungle of illegitimate births. Very little is known about Hitler's childhood, but it is quite certain that his early environment was unsatisfactory. His schooling seems to have done him little good; he was lazy and unsettled. He seems to have had some talent for drawing, but he lacked the industry necessary to develop it. I once saw a small oil painting he had executed displayed in Thyssen's house as a curiosity. The performance was very feeble. He followed up nothing very seriously, not even the love of music which later on he stressed so ostentatiously. During the first world war he remained a lance-corporal for four and a half years. His early upbringing provided him with absolutely nothing of value for his subsequent life; nothing except one factor which for the time being only he was aware of—his will.

The material straits of his early years in Vienna, combined with his disappointment at the upshot of the war, led to his decision to go in for politics. This decision he stuck to with extraordinary persistence. But even here everything that he started was at first amateurish and vague and depended greatly on chance. It was easy enough for

him to know what to talk about. Thanks to the general depression, anyone who spoke at that time could be quite sure of the approval of the masses provided he confined his utterances to criticism and avoided all practical proposals—a precaution Hitler was always very careful to take. One thing, however, he had grasped: how to make an impression, how to obtain an effect, how to attract attention, how to create a sensation, how, in short, to do anything but provoke thought. What wonderful slogans they were: "General interests before private interests!" "Destroy interest slavery!" No one knew exactly what they meant or how they were to be put into effect, but it all sounded splendid. And what a theatrical introduction to a putsch: that revolver shot through the ceiling! It literally went with a bang!

However, owing to the sound common sense of the German people, Hitler was no very great success in the beginning. For a while there was merely astonishment at his sensationalism; the uniforms, the parades, the standards, the bands and banners, the demonstrations, the grandiloquent titles, the ostentatious badges, the mass meetings, the weaving searchlights, the shouted choruses and the mass singing of martial songs—but even these did not win a very great deal of support for the Party amongst the masses. But at last one powerful factor came to Hitler's assistance: the distress of the German people, the terrible privations they were suffering and the obvious incompetence of the governments of the day. It was only from 1929 onwards, when the pseudo-prosperity brought about by foreign credits came to an end and the ranks of the unemployed increased rapidly, that Hitler's efforts began to meet with success. It was not his ability which took him to the top, but the incompetence of the others; the

inablility of the governments of the day to improve matters either by their own efforts or by securing assistance from abroad.

With the growing despair of the German people any opposition party which promised an improvement was certain of increasing its mass support. Communism also won over many German voters. But Hitler knew the German masses better than the Communists did. His appeal was not based on political theories of the school of Marx and Lenin, but on the feelings and common instincts of the people. He demanded no painful cerebration over the correctness of doctrinaire dogmas or economic postulates. He wasted no time discussing methods by which the existing state of affairs could be changed; all he did was to point insistently to the final aim. He concentrated on the What and not on the How. He himself was the How; he and his National Socialist Party. He did not call for the overthrow of the prevailing social order, or the dissolution of the existing political system, or the dethronement of the Church, or the abandonment of pride of race or national heritage, or the establishment of class domination; all he wanted was power for himself and his party in order to lead the people out of their misery. He proclaimed the inviolability of the family, which is the basis of all human society. He favoured the preservation of Christianity, without which no State can exist. He approved the national consciousness which held our society together. He encouraged the collaboration of the classes which promised social peace. And with such traditionally deep-rooted ideas he proposed to give the German people peace and freedom, work and bread. He appealed to the great historical and cultural achievements of the German nation. He con-

demned the mistakes of Hohenzollern policy, which were fresh in the memory of the German people, but from the more distant past he brought out Charlemagne, Frederick the Great, Bismarck, and all the other leading historical and political personalities as models and examples, and sought to convey the impression that the National Socialist Party had no other mission than to complete the great work of these mighty leaders of the past.

His ostentatious insistence on 'Prussianism' fitted into this general picture of loyalty to historic traditions. In reality no one ever compromised Prussianism so profoundly as this spewed-up adventurer. It was his inferiority complex which sought cover behind historical decorations. Frederick the Great and all the others were not really models and examples for him; they were shelters to protect him from the cold blast. Attempts have been made, particularly in certain South German and Rhenish circles, to pretend that Hitler's regime was typically Prussian, but it is interesting to note that apart from Frank, whose insignificance is vouched for in the Nuremberg verdict, not a single Prussian was in the Reich's government or in Hitler's immediate entourage. His men were almost all South Germans or Rhinelanders. The Hitler regime was very far removed from Frederick the Great's ideas of political obligations or from his frugal simplicity and characteristic uprightness. Frederick the Great and Prussianism were mere stage scenery for Hitler. They were the outward appearance, the headline, the camouflage behind which the lowest instincts could have their fling with impunity.

It was no accident that Hitler's election campaigns were directed mainly against Communism. That was not because Communism offered more promising aims or used

more effective methods, but because it was the only one of Hitler's opponents with a determination and a will to power equal to his own. Communism was his only serious rival and competitor. All the other political parties had fallen into a state of bemused resignation. They did not know what to do, and in consequence they were incapable of doing anything. It was easy for Hitler to win over their followers, and they were the people who now brought up the ruck. But those who went over to him from Communism—and they were quite a number—were received with respect, for they had what Hitler wanted: fanaticism, a fighting spirit and reckless aggressiveness. What mattered was not what one stood for, but how one stood for it. Everything else could be settled once they were in power.

When Hitler gained power there were essentially only two problems which he hoped to solve and thereby win political success: the abolition of unemployment, and diplomatic equality. These were the two problems which had faced every German government since 1918, problems which every government before his own had sought and failed to solve. Hitler solved them both, and his success gave him that great authority which he subsequently misused so abominably.

The Public Works Scheme naturally consisted of big government contracts. There were no less than 6·5 million unemployed workers, in other words, roughly a third of all Germany's workers, to be put back to work. It is not true that work on armaments came first in point of time, but it soon came into the foreground and became the most important contribution to the solution of the employment problem. It was not possible to proceed with Germany's rearmament at once because at first Hitler quite rightly attempted to secure international equality

for Germany through the disarmament of other countries. There is hardly any better proof that at first Hitler cannot have intended to pursue a warlike policy. This idea must have come to him in the course of subsequent political development. In the first period of his government Hitler constantly proposed disarmament, both in general speeches and formal offers, and when he met with no response, a limitation of armaments not only for Germany but for all other powers. Of course, it is easy to say afterwards that all these offers were mere window-dressing, but no one can deny that they could have been seriously developed if other countries had agreed to discuss them. It was only after they had refused to do so that Germany's rearmament was vigorously pushed ahead.

Hitler was feeling his way forward in the field of foreign politics. He withdrew Germany from the League of Nations. He began to rearm, and he met with no resistance. Then came the public announcement that Germany intended to develop an air force, the passing of the law re-introducing compulsory general military service, and the re-militarisation of the Rhineland. One measure followed the other step by step. The fact that he met with no resistance from abroad in any of these undertakings made Hitler bolder. By temperament he was by no means a courageous man. He was not timid or frightened of danger so long as it did not materialise. If a danger that threatened was pointed out to him he explained it away for himself and others, often with the most extraordinary arguments. But he was a coward; he broke down in danger. When danger materialised, despite all his evasions, he cracked. On the other hand, if the danger passed he was not prepared to admit afterwards that it had ever existed, and he boasted and extolled himself. A

really energetic counterblow from abroad in those first years would have shattered Hitler's whole prestige. Such a counterblow was never delivered and Hitler's eagerness to continue his bluff increased.

The abolition of unemployment was felt by the whole population as a great relief. The unemployed worker was no longer a beggar. He was once again in work and earning his bread. Once again his life had a meaning and a justification. The solution of this great problem contributed greatly to the growth of Hitler's prestige both at home and abroad.

Unfortunately this increase of Hitler's prestige, and in particular his successes in the field of foreign politics, reinforced his belief in the correctness of his methods of government. None of his brutalities or injustices appeared to have unfitted him for negotiations with other countries, all of which treated him completely as an equal. All those things which honest men in Germany counted as crimes were dissipated by the friendly handshakes of his foreign political partners. His ruthlessness towards those who opposed him at home was ignored abroad. When we consider the resistance which the Western Powers put up to-day against all totalitarian tendencies in other countries, it makes the attitude of foreign statesmen towards Hitler at that time all the more incomprehensible.

Hitler certainly succeeded in making himself popular amongst the great masses of the people in Germany, and he maintained his popularity for a number of years. He could play like a virtuoso on the well-tempered piano of lower middle-class hearts. In his early days in Vienna he had sighed: "If only I could wear silk shirts and patent leather shoes just once!" Now he was wearing them all the time. But to the masses he presented himself as a

simple man of the people, as a worker from their own ranks, which he never was, as the despatch rider and little corporal of the first world war. He fondled the children, accepted bouquets, shook hands with crippled ex-soldiers and war widows—and never failed to have the cine-camera there to record the scene for the weekly news so that in all the cinemas up and down the country the masses of the people should have an opportunity of admiring him. Everything he did was calculated for effect. The legend of the simple life he led was a gross deception. He did not smoke and he did not drink and he was a vegetarian, not because he was frugal, but because he feared for his health. In fact he lived in great luxury and kept motor cars and aeroplanes at his disposal at any time he wished for them. And although he had the impudence to pretend to the public that he was so poor that he did not even possess a banking account, he was, in fact, a millionaire several times over from the payments he received from the Eher publishing house alone. Once, when I was at his mountain eyrie in Obersalzburg, I drew attention to the magnificence of his estates and the corresponding luxury of his surroundings by repeating significantly a favourite expression of his: "I live to-day exactly as I lived ten years ago." He became very embarrassed and sought to excuse himself by saying that it was the Party that insisted that he should live in such a fashion. He was always embarrassed when he was unable to avoid making some confession of a personal nature. That was perhaps the best thing about him, since it revealed at least that he had retained a sense of the disproportion between his lowly origin and the heights to which he had sprung.

Hitler had no understanding at all of the value of

money, just as he had no understanding for economic affairs. In his book *Mein Kampf* he praises the monetary crank Gottfried Feder for having helped him understand the significance of money and capital. But I never noticed that he once let drop so much as a word in favour of Feder's views. Obviously he had not understood Feder either, which, in itself, was no bad thing. Engineers who dabble in financial questions are always a danger. How little Hitler knew about the value of money became clear when he purchased works of art, on which he expended fantastic sums. It was primarily Hitler's agents who drove up the prices at auctions of pictures and antiques, and very often two or three agents might be acting for him independently and bidding against each other. I can remember one occasion when he paid 90,000 marks at an auction for a picture by Defregger which would normally have done well if it had fetched one tenth of that price.

But as an actor Hitler was really supreme. His mastery was so consummate that even experienced psychologists were at first deceived. I happened to be present on the occasion of his first broadcast speech as Reich's Chancellor. It was delivered before a microphone in a room at the old Reich's Chancellery. I must confess that I was greatly impressed by the sincerity of his words as he asked for the confidence of the German people and the aid of the Almighty. There seemed no room for deception there; his whole body trembled and his voice conveyed the feeling of anxiety and responsibility he seemed to feel. All this cannot be explained or dismissed merely with the word 'histrionics'. Whoever recalls Hitler's appearance and bearing in those first days after he came to power will clearly remember the feeling of inferiority which obviously dominated him then. Take a glance, for instance, at the

picture taken at the time of his appointment as Reich's Chancellor and observe how humbly he stands before the Reich's President. The solution of the riddle lies, I think, in the fact that whenever Hitler had to appear in public, he played a part, not only to that public, but also to himself. At such moments he really believed whatever it was that he was saying. He acted so well that he did not even realize that he was acting.

From this it would follow that no one can say with certainty whether this, that or the other of his views was sincere or not, whether he was not, in fact, honest, at least in the beginning, in some of the things he said. Certainly, his disposition to evil grew so rapidly that it soon became difficult to believe that anything about him had originally been good. In any case, after a number of disillusioning experiences I did not let myself be deceived again.

In the years 1932 and 1933 Hitler made certain unmistakable declarations to the effect that he intended to work for a restoration of the monarchy in Germany. I should not be surprised to discover that these undertakings were even put in writing. On September 22nd, 1933, the Stuttgart industrialist Robert Bosch had a talk with Hitler in which, according to what Bosch says, Hitler expressed the opinion that the monarchy was probably the best form of government for Germany. Was this really Hitler's conviction or did he merely say it in order to neutralize the hostility of monarchist circles? For a while Hitler was very pleased to have one of the ex-Kaiser's sons in the ranks of his brown shirted S.A., even though it was the rather insignificant August Wilhelm. On one occasion Hitler declared to me that in this way August Wilhelm was doing more for the future of the monarchy than the

ex-Crown Prince. But as time went on Hitler's hostility to the monarchy grew. The more successful he was on his own the more he began to smile contemptuously at the idea of monarchy. And after the cool reception he experienced in Rome when he went to visit the Italian Royal Family his hostility to all crowned heads knew no bounds. One day—it was during the war—Goering was instructed by him to summon one of the former Social-Democratic Reich's Ministers and inform him that in studying the historical documents, Hitler had discovered that the Social Democracy had done Germany the historic service of deliberately and permanently abolishing the monarchy, and that in his view special thanks were due to them on that account.

The fact that conscious and unconscious histrionics combined in Hitler is sufficient to explain the extraordinary charm he was capable of showing, a charm which gave the impression of being perfectly natural. No observer would ever have supposed that it was all carefully calculated. When he was surrounded by an audience and allowed the children to be brought up to meet him, when at parades he had the wounded ex-soldiers put in the front ranks, when he shook hands with the victors—even the coloured victors—at the Olympic Games, when he presented bouquets to singers and actresses as a mark of appreciation for their performances, and so on, it was all done with an appearance of natural amiability which charmed the onlookers. And no foreigner could fail to be impressed by the hospitality that was shown, and by how well the receptions were arranged, for instance, in connection with the Olympic Games and with congresses of the International Chamber of Commerce. On such occasions Hitler spared no expense, but his arrangements

were neither ostentatious nor lacking in a sense of style.

When he came into contact with the outside world Hitler adopted in full all the outward forms and current usages of democratic countries in order to offend no one before his secret plans had been brought to fruition. Without a word of objection he sat and listened to me when I delivered a strongly pacifist speech at the congress of the International Chamber of Trade and Commerce: "Believe me, my friends, the peoples of the world want to live; not to die." He deliberately encouraged the false impression that my words met with his approval. It was only during the war that he showed the world his true features and began to abuse his enemies personally and in the most vulgar terms in gloomy foreboding of his own impotence. It was then particularly that he betrayed his plebeian origin.

Hitler's histrionics extended from the realm of persons to that of material things. He knew that the masses thought more of a signature than of a text, which they usually did not read and, if they did, rarely understood. The headline was enough information for most of them, and saved them the trouble of forming their own judgement. For their benefit Hitler appointed bodies with high-sounding titles; for instance, a General Council for Economic Affairs. This body was inaugurated in the presence of all the leading lights of the business world with a speech full of sonorous platitudes. The new body was to be called together to give its advice to the government in all matters requiring important economic decisions. This wonderful General Council for Economic Affairs met once only and never again. Similarly, Hitler set up a Privy Cabinet Council which was supposed to advise him in all political decisions. This body was not convened on even one single occasion.

But the whole Press resounded with praise of these 'democratic' institutions, and the masses were led to believe that their fate had been safely entrusted to expert hands.

Under the cloak of 'protecting the civil service' the latter was packed with party members without experience, knowledge or capacity, men whose only recommendation was their political servility. At the same time valuable officials whose politics were of the wrong colour were dismissed. Arbitrary courts were instituted on the pretext that 'the general feelings of the people' for justice and morality required a special vent. The stifling control clamped down on art was directed only against artistic decadence. The abolition of the parties was carried out only to strengthen the solidarity of the German people. Thus every piece of injustice was tricked out with its deceptive formal caption. The result was that when such decrees were published most people had no idea at all of their real significance or of the sinister intent behind them.

The same desire to deceive and confuse was at the bottom of Hitler's systematic habit of appointing several bodies each entrusted with the same task. Side by side with each government office was a Party office operating in the same sphere. The result was constant rivalry and constant disputes. Side by side with the Foreign Office there were the Foreign Office departments under Ribbentrop and Rosenberg. Side by side with the Minister for Culture there were Goebbels, Rosenberg, Kerrl, Schirach and Bouhler. Rosenberg provided the party with its ideological pabulum; Goebbels controlled all branches of literature and art; Kerrl watched over the churches; Bouhler headed the book censorship; and Schirach sought

to educate the nation's youth in the spirit of National Socialism. The Minister for Labour had to wrestle constantly with Dr. Ley, of the Nazi Labour Front. If he had known anything at all about it I am sure that Hitler would gladly have established a Party note-issueing office. As it was, there was only the Bank der Deutschen Arbeit, or German Labour Bank, which received enormous sums from the Party and its affiliated organizations at the lowest possible rate of interest and made tremendous profits, whose ultimate destination it was never possible to discover. After the outbreak of the war this duality of office became really serious. One Reich's Commissar was appointed after the other, and each was given wide powers to cut across the sphere of already existing authorities.

By such methods Hitler destroyed the reliable machinery of the Civil Service, which up to then had maintained continuity of government throughout all troubles and dangers. But in doing so he made certain that he heard about everything and that he became the last court of appeal in all conflicts. Another practise he introduced tended in the same direction, namely his habit of always speaking to his collaborators separately and never bringing several of them together at once. In the latter case they might have come to a joint understanding against him. That is why Cabinet sessions no longer took place after 1937. That is why, during the war, Ministers were expressly forbidden to discuss the situation together. Hitler was always afraid that a united front might form against him. The circumstance that the Reichsbank memorandum of January 7th, 1939, was signed by every member of the Reichsbank Board, instead of the usual two signatures, appeared to him tantamount to mutiny.

As far as he could Hitler avoided all objective discus-

sion of his intentions and wishes. He had read a very great deal, particularly during his imprisonment, but he had taken in only what suited him. He was typical of the half-educated. It was impossible to teach him anything, and he was unwilling or unable to take part in an objective discussion. In consequence he was unable to debate and unable to convince by reasoning; all he could do was wheedle or bluster. What knowledge he had lacked all profundity. He was effective only where no one could say a word to contradict him, i.e., at a mass meeting. All discussion with him degenerated into a monologue. His ideal was the wireless broadcast. He could say what he liked into the microphone, and if anyone contradicted him he could not hear it.

As a social being Hitler lacked the most important quality of all: humour. He could laugh neither at himself nor at others. He always took himself seriously. When he first came to office I repeated one or two quite harmless jokes the man in the street was cracking about him at the time, and was astonished to see that it was obviously very disagreeable to him. He seemed to think that it compromised his dignity if anyone dared to joke about him or anything which emanated from him. Perhaps he thought it would compromise the performance of his mission. In any case, he always had to be on a pedestal, unapproachable. On my sixtieth birthday the Reichsbank issued a book of caricatures of which I was the victim, and when he heard about it Hitler expressed keen disapproval. In his opinion such a thing was damaging to prestige. This utter lack of humour extended from him to embrace the whole Nazi Party. Even the most harmless and inoffensive joke about the Party, its institutions or its actions was grimly frowned upon. The brown-shirted

heroes wanted everyone to take them seriously. They locked up all comedians who dared to make fun of anything they did, and closed down the cabarets which billed them. And what their press presented to its readers as humour was poisonous filth with none of the relieving qualities of humour. They could jeer and mock at others, but none of them, from Hitler downwards, was capable of laughing at himself. By forbidding the safety valve of laughter they gradually cut themselves off from the hearts of men. A man can rise freely above many vexatious and disagreeable experiences by a joke and a hearty laugh. Under Hitler and his Nazis there was nothing of that. Life was grim and earnest.

Hitler's attitude to all ethical problems was inconceivable to any normally constituted human being. They simply did not exist for him at all. As he could not openly flout justice and the law—that would have made a very bad impression on the general public, which still set much store by such things—he set up special courts and special proceedings for his own followers. Both the Nazi Party and the S.S. had such bodies. When it was at all possible members of the Party were exempted from ordinary legal procedure and brought before Party courts, where they could rely on indulgent treatment unless their offences were against the interests of the Nazi Party. Hitler made repeated use of his right to pardon offenders after they had been convicted in the courts, particularly where 'tried and trusted' Party comrades were concerned. In fact, he positively went out of his way to bind his followers closer to him by granting them immunity in this fashion. Thus he held many of them completely in his hands and was in a position to use them for dubious and even criminal tasks. This is the only acceptable explanation of the way

in which he not only tolerated, but sometimes even encouraged, the numerous cases of corruption and unlawful appropriation amongst leading officials of his party. In this way he made them even more dependent on him. I am convinced that the unconditional subjection of Goering to Hitler's will is susceptible to some such explanation. On one occasion I managed to persuade Goering to exercise his influence on Hitler to put on the brake in some economic matter or other, only to learn afterwards that he had not dared raise the question after all. When I reproached him for not having kept his word, he replied: "I often make up my mind to say something to him, but then when I come face to face with him my heart sinks into my boots." A guilty conscience is the only possible explanation of such a thing. And Hitler went expressly out of his way to ensure that his followers should have guilty consciences.

Although Hitler did not like his own brutality to be observed it was completely uninhibited. Himmler once declared that in his secret archives he had Hitler's written order, either specific or general, for every killing he carried out. When it suited him Hitler was ruthlessly treacherous towards his own Party followers. He recked nothing of human ties of any kind. Nothing stirred his heart. He was unable to talk to a woman whom he knew he had to treat with respect. His own female retinue was chiefly recruited from circles which, to put it mildly, inclined towards the frivolous. He had no friends. The only two men whom he ever addressed with the familiar 'Du' were Roehm and Streicher, and Roehm he had shot during the June purge. Hitler maintained no contact with his relatives. A half-brother who kept a restaurant in Berlin's West End was never seen in his presence. Hitler

was a man without a fatherland, without a home, without a family, without friends, without women, without a church and without traditions. He had no roots anywhere in the world.

It is true that Hitler identified himself with Germany, but not in the sense that he surrendered himself to Germany. On the contrary, Germany was to surrender herself to him. The evidence of Schirach and Speer regarding his attitude to Germany's fate in the event of his policy proving a failure was shattering: if the German people should fail to win the war which Hitler had irresponsibly let loose upon them with inadequate means for waging it and with criminal intentions and motives, that would mean that the German people had thereby proved themselves unworthy of Hitler, that the German people would have to go under because they had failed to understand Hitler, that the German people had failed to measure up to Hitler's ideals. That was the sum total of Hitler's patriotism, the sum total of his devotion to Germany when he saw that his criminal game was up.

The man was spiritually arrogant. He refused to let himself be taught. He treated even recognized authorities with disdain when he did not like them. He was polite, even charming when—and only when—he wanted to be, but he was without any natural tact. What a guttersnipe he showed himself in his vulgar abuse of such men as Roosevelt and Churchill! And at the same time, as soon as it suited him, he did not hesitate to utter words of praise for Stalin, a man whom only shortly before he had abused as a 'blood sucker'. He interfered in the most impudent and tyrannical fashion with the work of artists and scientists. His harsh and malicious criticism of the work of real artists gradually expelled all deeper effort and

feeling from his surroundings. Because he had once tried unsuccessfully to become an architect, he believed that he had particular talent and understanding for architecture, but here too he was nothing but an ignorant and clumsy amateur.

In the autumn of 1938 he delivered a speech in Munich at the opening of the Architectural Exhibition inviting his listeners to consider how wretched the situation had been fifty years before when Berlin Cathedral had been built to hold only 3,500 worshippers! Why, a capital city with millions of inhabitants ought to have been given a cathedral to hold at least 100,000 worshippers! What a deplorable misunderstanding of the purpose of a church! What a failure to realize the intimate character of a religious community gathered together for worship! What arrant confusion between a religious service and a political mass demonstration! How, for instance, could the words of a preacher in the pulpit, or prayers of a celebrant at the altar, be heard by 100,000 people in the days before the advent of loud-speakers? But what did it matter? The horde of brown-shirted listeners howled applause.

The twelve years which fortunately represented the entire duration of Hitler's thousand-year Reich were the least fruitful of any period since the days of the Thirty Years War. Let us hope that unseen forces have accumulated in that period awaiting their release once the chains of tyranny have fallen.

And yet Hitler was a genius. He was a past master of the arts of deceit and histrionics. He knew immediately and by instinct how to deal with people he had just met in order to win them over to his side. To everyone he said just the thing the other most wanted to hear. He succeeded in impressing most of those he talked to, and

in persuading them that he was willing and able to do whatever it was he had undertaken to do, and that for him obstacles were there only to be surmounted. In this way he succeeded in imposing his own will on most people, or at least he inspired them with hope and confidence. His most successful performances were given at great mass meetings where, despite his harsh and ugly voice, he knew how to manage his audience so skilfully that no doubt seemed possible either as to the truth of what he said or the possibility of carrying it out.

Hitler was also a genius in the matter of will power. He held fast to his aims with unwavering persistence and in spite of all opposition. If he met with resistance he could cleverly conceal his final aims until the moment seemed propitious. In addition, he had the great gift of reticence. He never let slip an unconsidered word. He never said what he did not intend to say and he never blurted out a secret. Everything was the result of cold calculation. In the early years, when he still believed that he could win me over to his side, he once reproached me for having discussed certain problems before an audience which in his opinion was not competent to pass judgement. "You can talk about such important matters before leading party officials, but it is not suitable to do so before subordinates; they should not know about such matters nor occupy themselves with such problems." During this conversation the picture of Ignatius Loyola and his rules came to my mind: the extent of knowledge was to be proportionate to the higher or lower degree of rank in the Society. Hitler's attitude in this respect was documented in Fuehrer Order No. 1, so often cited at Nuremberg. It laid down that each officer or official should know only what directly concerned his own province, and only then

when such knowledge was necessary for his co-operation.

Hitler also had a genius for invention. He often found astonishingly simple solutions for problems which had seemed to others insoluble. Things were certainly made easier for him by the speed with which he could grasp the intentions of those with whom he was dealing, and adapt himself to them before they realised what was happening. His solutions were often brutal, but almost always effective. On one occasion when I explained the hopelessness of a certain political situation so clearly to the War Minister, von Blomberg, that he was finally unable to make any further objection, he uttered the characteristic words: "I know you're right, but I have confidence in Hitler. He will be able to find some solution." And it often seemed to be so, for not everyone has the gift of foreseeing the end.

Then again, Hitler was a genius in the art of organization. It was not that his Party organization was so very impressive, seen from the outside, but that he succeeded in keeping every part of it so busily occupied, often in utterly unimportant matters, that even the lowest cell secretary or block leader saw himself as an essential pillar of the State. When I was President of the Reichsbank, letters often arrived from some porter or messenger informing me of the alleged attitude of one or another of the Reichsbank Governors, and by no means all of these letters were inspired by malice or spitefulness; often their origin was a deep sense of responsibility towards the welfare of the State felt by the writer as a 'ranking' National Socialist. Much of this sort of delation, and also much that kept the spying service of the Gestapo busy, had its origin in this feeling of importance that Hitler managed to give his subordinates. Most of the Nazi

organizational forms, the mass parades, the collection campaigns, the Hitler Youth, the hierarchy of rank in the Party, and so on, originated in ideas and orders which came from Hitler. In this respect he was head and shoulders above his collaborators, and this fact made a powerful impression on them.

Hitler's genius was daemonic and diabolical. In his own day he had no equal in his ability to influence other people—particularly large masses of people, in his masterly handling of men, in his talent for intrigue and for playing off one person against the other, in his strength of will and persistence, in his mental elasticity, in his talent for organization, in his cunning, deceit and secretiveness. All these qualities were combined with cold calculation, inhuman brutality, cruelty, treachery, and a complete lack of moral scruples. It is possible that at the beginning of his political career Hitler's intentions were good, but from the very outset he tried to carry them out by unethical means, and that inevitably ruined the moral quality of the aims themselves. Hitler was a man without soul and without love, in whom the divine spark had perished.

Hitler would never have succeeded in obtaining the power he subsequently did but for the fact that environment and circumstances conspired to help him. The German people were so physically and morally exhausted that they were an easy prey for any political charlatan who recklessly exploited their depression. Other countries desired peace and quiet so much that they were prepared to do anything to preserve it, and they thought they could do so by appeasing evil. That is how it came about that both at home and abroad people were only too willing to believe the assurances Hitler gave them

with such solemnity and insistence. Never before in history did any public figure act in such crass, insolent and stupid contradiction to his own words as Hitler did.

He promised equality for all citizens before the law, and at the same time gave his own followers the widest possible privileges above the law.

He promised that he would treat all men according to their performance, but instead judged them solely according to the loyalty they showed or pretended to his cause.

He promised to uphold the Constitution of the laws of the land, and made a mockery of the Constitution and violated the laws.

He promised that Jews should enjoy the same rights before the law as foreigners, and abandoned them to the arbitrary persecution of his party.

He promised honesty and decency in the administration of the State, and countenanced and encouraged the basest corruption.

He promised to use the resources and revenues of the State sparingly and economically, and indulged in the most reckless expenditure.

He promised to wage a struggle against political lies, and raised deceit and fraud to a political system.

He promised to protect Christianity, and allowed his party to mock religious beliefs and to desecrate religious institutions.

He promised peace, and led the people against their knowledge and against their will into war.

He promised that he would never seek to possess non-German territory, and sallied out to conquer foreign lands.

He promised to respect the neutrality of neighbouring peoples, and fell upon them with force of arms.

He promised never to involve Germany in a war on two fronts, and began war on four fronts simultaneously.

Deceit, lies, fraud, and knavery were in every fibre of his being.

Chapter Ten

THE NUREMBERG TRIAL

BY September, 1946, when we were in Nuremberg prison awaiting the verdict of the court, I had already spent ten months in Hitler's concentration camps and seventeen months as a prisoner of the Americans. That was shortly before my seventieth birthday. Although I am physically in very good trim and my nerves are sound, this period caused me much physical and mental distress.

I enjoyed greater spiritual calm in Flossenbuerg extermination camp than anywhere else. That was because at that time I considered my fate to be settled. Hitler had robbed me of my liberty because he recognized me as a dangerous opponent. From his point of view he was quite right. I awaited my rapidly approaching end. Juridically they had not succeeded in pinning any criminal action to me, but that was due only to the incompetence of the Gestapo, which had searched in vain for proofs of my guilt. In my own eyes I was guilty according to the letter of the law. I had committed high treason. I had worked for the overthrow, even for the death, of the tyrant, and I had taken a leading part with others in efforts to bring it about. Although Hitler could prove nothing against me, he knew it nevertheless. He knew me too well, and he had always been uneasy about me. Certainly, the evidence in his hands was not strong enough even to begin criminal proceedings against me. But that would certainly not prevent him from getting rid of me. His brutality and

his hatred of everyone who opposed him had been revealed with ever increasing clearness. I was quite convinced that I would not leave Concentration Camp Flossenbuerg alive. One fine day the stretcher bearers would carry out my corpse, as they had carried out so many others day after day before my eyes: on a wooden stretcher, covered over with a thin cloth under which the shape of the body was clearly distinguishable, to be buried in the wood nearby with the bodies of so many thousands of other victims.

Nevertheless I was quite calm. In my conscience and before my God I felt secure in my innocence. A scoundrelly adventurer had obtained power over the German people by lies and fraud, had consolidated that power by a frightful reign of terror, and had then plunged the whole people into certain disaster. It was no crime in my eyes to destroy such a man once that proved the only way to salvation. During those months I reviewed my whole life and recalled more than one mistake I had made. I had committed many sins of omission, and I had no doubt offended in other respects, but at least I had always tried to do the right thing. If I was to be judged by my intentions and not by my lack of success, then I could say farewell to life with the consciousness that my wife and my children, those who had worked with me, and those who were my friends, would hold my memory in honour.

Death had lost its terrors for the man who, with a humble heart, could go through the purgatory of self-examination under the seemingly inevitable threat of death at the hands of the executioner. When the Camp Commandant came into my cell, the more he raged and shrieked the calmer I became. What more could this brutal murderer do to me? It was already quite certain

that one day soon he would have me hanged, or despatched with a bullet in the nape of the neck, and so his fury now had no effect on me. My imperturbable serenity disarmed him again and again.

Although both before and afterwards I found solitary confinement spiritually distressing, in Flossenbuerg, where I faced my approaching end, I found it a blessing to be alone. Although there were one or two good friends amongst my fellow prisoners, men with whom in ordinary circumstances I should have been very glad to talk, what could we possibly say to each other now? Doubtless they had the same thoughts and feelings in their cells as I had in mine. I had made the happy discovery that as I grew older my circle of friends grew all the more valuable; there were my contemporaries with whom I shared the same views and the same determination, and there were the younger men who honoured me with their confidence; and all of them were men who strove after righteousness.

My unexpected rescue from Hitler's imprisonment brought about a complete change in my feelings. I had nothing to fear from the trial as a war criminal which might lie ahead of me. So far as Hitler was concerned I was conscious of formal guilt according to the letter of the law, but nothing but the utter ignorance of the prosecution concerning what I had done could bring me before the International Military Court on such a charge. I was no longer a helpless victim of the fear and brutality of a despot; here was a court which promised to judge according to the moral tenets of justice. Nothing could happen to me unless political blindness usurped the place of justice. But that was not really to be feared. Certainly, the unexpected continuation of my imprisonment involved great hardships which, had I been free, I could certainly

have alleviated and perhaps even obviated altogether. My house was plundered by Communists, my property was confiscated under the land reform scheme, my wife, who spent six weeks as a prisoner of the Russians, was driven from hearth and home without any of our possessions, and my capital was confiscated. My family were entirely dependent on the good offices of friends. And the mere fact that I was charged as a war criminal in company with the chief offenders was quite enough to establish my guilt and to rob me of my honour in the eyes of the world.

No one dreamt of investigating whether the charges against me were well founded or not, and public opinion did not bother to wait for the verdict of the court before pronouncing me guilty. No sooner did the three acquittals become known than the short-sightedness of professional politicians and the political ignorance and gullibility of the masses resulted in violent protests being lodged against my acquittal—protests on the part of ignorant people, who were not themselves in a position to judge, against the verdict of the highest international court. The fact that the reports of the trial were not only very fragmentary, but almost entirely one-sided is perhaps some feeble excuse for them. Everything the prosecution brought forward against me was dealt with at great length in the press and on the wireless, whilst the defence and the evidence of the witnesses for the defence were almost completely ignored. The attitude of the German press in particular was very tendentious, the reporting of the foreign press and of foreign broadcasting stations being rather fuller and more objective. But only very few Germans listen to the B.B.C. or read Swiss newspapers.

In addition, the difficulty experienced by Germans in understanding what was going on in the court-room at

Nuremberg was increased by the fact that the trial was conducted throughout entirely according to Anglo-Saxon legal procedure. Whilst German court procedure is based on the investigations of an independent magistrate, and whilst a German prosecutor is obliged to take the evidence in favour of an accused into account, as well as the evidence against him, the preliminary investigations in Nuremberg were entirely in the hands of the prosecution, who were at liberty to make unproved accusations against the accused and leave it to them to bring rebutting evidence through their defending counsel.

Although the prosecution had the services of numerous German émigrés—"You speak better English than some of my assistants," one of the American prosecutors said to me on one occasion—it could be seen from the indictment that they were often quite ignorant of German conditions under Hitler. These German emigrés were able to provide the prosecution with information about the period prior to 1933, but not about the period of Hitler's rule. The prosecution had certainly been very industrious in reconstructing the outward semblance of the Nazi system and organization, and their exposition was extraordinarily lucid, but the inner workings and relationships of that system remained a closed book to them. The majority of the émigrés had had no personal experience to go by, and consequently were at a disadvantage.

The volume of material collected by the prosecution was enormous. The number of exhibits ran into thousands, and many of them were devastating. But all this material had been fitted into a strange framework which could be understood only in the light of modern U.S. legal developments. This framework was the indictment, which claimed the existence of a general and long-planned con-

spiracy for the kindling of wars. The crime against the peace of the world, together with all the crimes against the rules of warfare and against humanity implicitly resulting therefrom, were alleged to have been the result of a common plan and a common purpose on the part of all the accused and the organizations to which they had belonged. According to the prosecution a great number of the organizations of the National Socialist Party and of the German military authorities conspired together to this common end. These organizations were therefore to be regarded *in toto* as criminal. This meant that every member of such organization was regarded *prima facie* as an accomplice in crime until such time as he might succeed in bringing forward proof of his innocence. So long as he was unable to bring forward such proof he was to be deprived of all civic rights. But listed with such organizations were bodies which could not legally be regarded as juristic, but at best as fictitious personalities, for instance, the German General Staff, the Supreme Army Command, and so on.

The prosecution spent a great deal of time and effort in describing this conspiracy. Many details indicated just how much the prosecution had this point at heart. For instance, the aims of the conspiracy were exactly enumerated. They were, according to the indictment, the abolition of the Versailles Treaty, the recovery of the territory lost by Germany in 1918, the incorporation into Germany of other European areas with a German population, and the seizure of still further European territory as 'living space.'

These aims, they said, were to be attained by means of deceit, fraud, threat, intimidation, Fifth Column activities, propaganda, and, later, armed force and a war of aggression.

Support for these aims and methods was to be secured, again according to the indictment, by means of the so-called Nazi ideology, whose nature we had already had described for us.

According to the indictment the whole of German industry, commerce and finance was put upon a war-economy basis to serve the ends of aggressive warfare. Rearmament was undertaken, the Four-Year Plan was drawn up, notice was given to end Germany's membership of the League of Nations and the Rhineland was re-militarised. The first step in this aggressive plan was the intimidation of Austria and the forcing through of the Anschluss in 1938. The next step was the threat to Czechoslovakia, which led to the Munich Agreement, which, in its turn, was followed by the establishment under duress of a German Protectorate over Czechoslovakia in March, 1939. After that came the attacks on Poland, Denmark, Norway, Belgium, the Netherlands, Luxembourg, Yugoslavia, Greece, Russia, and the United States.

This completely artificial construction of a conspiracy prepared long in advance, in which all the leading political and economic circles of Germany were alleged to have taken part, gives perhaps some idea of how I came to be included amongst the group of chief war criminals. The intention was apparently to include the whole German business and financial world in the indictment. The whole of it was to be made to appear guilty because it had provided Hitler with the means to wage war. Thus the prosecution was very disappointed when I was acquitted, because its aim of presenting the whole German business and financial world as criminally responsible for the war was made very much more difficult. The attempt to

present the conspiracy against peace as having been on an enormous scale was now compromised. All that remained was the criminal responsibility of individuals for offences against the laws of war and against humanity.

Charges of violating the laws of war and offending against humanity, which were brought up together with the charge of violating the peace of the world, took up an extraordinary amount of time at the trial. The list of examples, descriptions, and catalogues of unsuspected atrocities was endless, and caused me alternate anger and shame. These horrible crimes had been committed by Germans—for in general it was not possible to doubt the truth of the charges—and I had known nothing about them. Though some things might perhaps have been set down to the exigencies and hazards of war, there still remained a whole series of deliberate crimes so terrible and so numerous that no defence was possible. The film projections, the descriptions and the endless enumeration of these crimes constituted the worst days of the whole trial for me. Despite international obligations to the contrary, it might have been possible to put up some sort of defence of forced labour, the economic exploitation of occupied territories, military destruction and similar things, but there was no excuse for robbery and crimes against human life whatever their form. The thing was terrible.

The extension of the indictment to include organizations, and the charges relating to common conspiracy and the joint planning of war and war crimes, soon revealed themselves as the weak points in the case for the prosecution. All decent Germans would abhor crimes against the laws of war and against humanity and approve of their merciless punishment, and the suggestion that every

member of the S.S. and every block and cell leader of the Nazi Party was a criminal went beyond the bounds of reason no matter how great one's opposition to the Party might have been. In addition, this section of the indictment distracted attention from the real purpose of the Nuremberg trial.

The main aim and the main occupation of the proceedings at Nuremberg should have been to place aggressive warfare outside the bounds of international law for all time, and to make the waging of it a punishable offence. That was what world public opinion meant when it talked of the trial of war criminals. Nuremberg was to be the first great step to the practical outlawing of war as a political instrument, to the punishment of the guilty statesmen and politicians as individuals, and to the emancipation of mankind from the scourge of militarism. Randolph Churchill was certainly right when, under the first impact of the Nuremberg verdict, he wrote in the *Daily Mail* that the verdict was the result of Hitler having lost the war and not of his having launched it. However, the verdict will at least keep war-mongering politicians of the future mindful of the possibility of their being subsequently brought to trial for their crimes, and so influence their decisions. Even after a victorious war it will be difficult for an aggressor nation to maintain its international position if the rest of the world is at one in condemning aggressive warfare. In any case, we must hope that the Nuremberg verdict will be a signpost pointing the way to a new era of peace.

Unfortunately, the Nuremberg indictment lumped offences against the laws of warfare and against humanity in with the violation of the peace of the world; that is to say, by the admixture of minor points with the major

point, public attention was often distracted from the latter. Offences against the laws of warfare and against humanity were minor points because they were of a purely criminal nature and were already dealt with in existing laws and recognized by international agreements, whereas the major point, the crime against the peace of the world, was a political offence which was being stamped as such for the first time in history, since it did not violate any of the world's written laws.

The verdict in Nuremberg was passed with retrospective effect. That principle of 'human rights' which declares that a man can be punished only when he offends against a law which already exists at the time of his offence was departed from. The principle *nulla poena sine lege* was suspended. Although it was the duty of the defence to lodge an objection against this innovation I expressed a contrary view. There is an unwritten moral law which governs the relations of men to each other and which demands punishment when it is broken even if the written laws of man are silent on the point. The deliberate kindling of war is such an offence. It is true that it is a very difficult matter for any court to pass judgement on such an offence, and the operation bristles with difficulties from the first moment the court is appointed. In my opinion it is a matter for regret that the Nuremberg bench consisted exclusively of representatives of the victorious powers and that no German judges were included. This made it impossible for the German people to show that they, too, condemned the war criminals.

In the newspaper article referred to above, Randolph Churchill makes another point in connection with the composition of the bench: "Still more unsatisfactory (than the different verdict passed by the Russian judges on

several of the accused) was an ugly fact which dominated the whole proceedings, the fact that many points of the indictment filed against the accused—and in particular those referring to groups and organizations—could have been brought forward with the same, or even greater, cogency against the Russians themselves."

To the credit of the Nuremberg bench it must be said that, despite this undoubted defect in its construction, the way in which it conducted the trial was exemplary. Admittedly, both the evidence and the pleadings had to be limited to some extent. As it was the proceedings lasted eleven months. But they were limited in practice as reasonably and justly as possible. The whole tone of the proceedings was deliberately kept dignified. And the accused themselves must be given credit for behaving accordingly.

In the nature of things it was unavoidable that by far the greater part of the evidence referred to offences against the laws of war and against humanity, and that therefore the evidence on the most important charge, that of breaking the peace of the world, was less extensive. The time of the court was taken up for months with criminal horrors, and yet it turned out that most of the accused had not been aware of the extent of these horrors. But it was also undeniable that many of them had taken part in one way or another on the fringe of these crimes, without recognizing them for what they were, or making further investigations. In many cases there was no doubt of both their negligence and wilful blindness.

In the long months of imprisonment doubtless all the accused examined their consciences, and some of them no doubt appealed to their idealism and to other factors to justify themselves in their own eyes. Certainly most of

them were moved by a real desire to help the German people out of their distress. But they blindly sacrificed their ideals and their better judgement to a man who cunningly and brutally exploited their assistance and their loyalty. They all lacked the will to resist injustice and to oppose his mounting crimes. They all silenced the warnings of conscience. And therein lies their guilt, a political guilt which finally became criminal guilt.

It is interesting to observe the verdict of the court against the accused on the various points under which they were charged. Out of the nineteen who were convicted, eighteen were found guilty of crimes against humanity and the laws of war, and only twelve were found guilty of crimes against the peace of the world. Of these twelve only seven were actually sentenced to death.

Unfortunately, it is not possible to discover from the verdicts what incriminating circumstances decided the degree of retribution. It was quite obvious that anyone who had taken part in murder would be sentenced to death. But were death sentences passed solely for offences against the peace of the world? The mixing of criminal with political offences makes it impossible to answer this question from the text of the verdicts. This is most unfortunate. A German court would primarily have condemned the instigators and planners of war, for they were the real and original criminals who dragged Germany into the abyss.

According to the way in which the indictment was drafted it could not be the task of the court to condemn the Nazi ideology as such, and in this respect there were repeated differences between the prosecution and the bench. Whether the Party programme was criminal, whether the proclamation of equal political rights, or in

favour of living space, was legally punishable, and at what point the criminal nature of the Nazi ideology became clear, these and similar questions were repeatedly asked by the bench. The summing up declared perfectly clearly that according to its statutes, it was not possible for the court to declare ideological utterances punishable unless they implied an intention to wage a war of aggression. The summing up with reference to me, for instance, declared: "It is clear that Schacht was a central figure in Germany's rearmament programme, and that the measures which he took, particularly in the early days of the Nazi regime, were responsible for Nazi Germany's rapid rise as a military power. But armaments as such are not criminal within the meaning of the statutes. If they are to be regarded as a crime against the peace in the sense of Article 6 of the Statutes, then it would have to be shown that Schacht carried out this rearmament as part of the Nazi plan for the waging of aggressive warfare."

The court was hardly less emphatic on the question of the condemnation of whole mass organizations. Its task here was perhaps even more difficult, as there was evidence that numerous parts of some of these organizations had been guilty of, or accessories to, crimes. It was not possible to dismiss at once the suggestion that here at least joint planning, joint action, or joint connivance existed. But here, too, the court came to a conclusion which cannot be rejected out of hand. Whilst the indictment sought to incriminate all the institutions of the Nazi regime without exception, the court confined itself to condemning only those organizations in which many criminal measures had obviously originated. Thus the Reich's Government, the S.A., the General Staff, and the Supreme Army Command were acquitted on the charge of being criminal organiza-

tions within the meaning of the indictment, whilst the S.S., the S.D., the Gestapo, and the Corps of Political Leaders were condemned as criminal organizations. This judgement is understandable when we consider that it was passed in the heat of victory and indignation shortly after the end of hostilities, and that it had to take the accumulated volume of hatred and the desire for revenge into consideration. When, as a result, wholesale suspicion fell on hundreds of thousands of innocents and became a torture for a great part of the population, it led to the imposition of long terms of imprisonment.

Unlike the prosecution, the bench never lost sight of the real aim of the proceedings. Any ordinary criminal court could have passed judgement on crimes committed against the existing laws and in isolation of recognized agreements. The sensational apparatus erected in Nuremberg which took up so much time and energy was not necessary for this. Ordinary military courts have done the work much quicker and with far fewer complications. Probably it would have been more effective, even so far as the outside world was concerned, if the Nuremberg court had confined itself to passing judgement on the crimes committed against the peace of the world and had not, in particular, made any attempt to condemn the Nazi ideology as such. The leadership principle, the racial question and similar matters were debatable problems; there was only one opinion about the outlawry of war. This fact should have shone through the Nuremberg proceedings like beacon.

It was good that at least one of the prosecutors clearly stressed the actual political aims of the trial, namely, the punishment of those who had broken the peace of the world, and the extermination of militarism. This was done

in the closing speech of the U.S. Prosecutor Telford Taylor, who emphasized the idealistic principles which had guided Roosevelt. After Taylor had relegated the atrocity evidence, which had occupied months of the time of the court, to second place, he proceeded to deal with the central point of the trial: "We are wrestling here with something big, evil, and permanent, something which was not born only in 1933 or 1921, but something that is much older than anyone here present, something which is much more important than anyone in the dock, something which is not yet dead and which cannot be killed either with a gun or with the executioner's rope."

Here Taylor passes over Nazi ideology as the origin of the crimes. The roots of the crime against the peace of the world lie much farther back. "For nine months this courtroom has been a world of gas chambers, of mountains of corpses, of lampshades made of human skin, of dried up skulls, of experiments at icy temperatures, of bank vaults filled with gold teeth. It is absolutely necessary for the conscience of the world that all the accomplices in these enormities should be brought to book. But this evidence, horrible as it is, does not represent the gravamen of the process. We shall not attain a very great deal merely by shaking the poisoned fruit from the tree. It is much more difficult to tear the tree itself out by the roots, but only this will bring success in the long run. The tree which bore this fruit is German militarism."

We Germans must just put up with it when Taylor makes German militarism his starting point. The war which now lies behind us, and which provided the occasion for the Nuremberg trial, lies indisputably at our door. Happily, however, Taylor did not confine himself to German militarism. Logically and courageously he

generalised his condemnation: "Militarism is not the profession of arms. Militarism is embodied in military-minded nations whose leaders preach conquest by force of arms and put their teachings into practice, glorifying war as an end in itself. Militarism inevitably leads to a cynical and habitual contempt for the rights of others and for the fundamental principles of human civilization. Militarism destroys the moral character of the nation which indulges in it, and it also undermines the character of the nations who are compelled to fight it because it can only be defeated with its own weapons."

Having declared that militarism must be exterminated, Taylor then rose to still greater heights: "This is just as important in our own countries as it is in Germany. Militarism flourished in Germany much more strongly and more obstinately than elsewhere, but it is a growth which knows no national frontiers. It is at home everywhere. It raises its voice to declare that war is inevitable between the East and the West, or between the Left and the Right, or between the Whites and the Yellows. It whispers that newly-discovered weapons are so terrible that they must be used before other countries use them first. It causes the whole world to walk in the shadow of death."

These observations of the U.S. Prosecutor were impressively supplemented by the closing speech of the accused Speer, who thereby rose far above his own personal interests. Speer's evidence relating to his last enforced activity as Armaments Minister obviously gripped the attention of those present. He first shrewdly pointed out that the establishment of Hitler's dictatorship, which was unexampled in history in extent and unassailability, was possible only thanks to modern technique.

"The telephone, the teleprinter and the wireless made it possible for orders from the highest levels to be given direct to the lowest levels, where, on account of the absolute authority behind them, they were carried out uncritically; or brought it about that numerous offices and command centres were directly connected with the supreme leadership from which they received their sinister orders without any intermediary; or resulted in a widespread surveillance of the citizen, or in a high degree of secrecy surrounding criminal happenings. To the outside observer this governmental apparatus may have resembled the apparently chaotic confusion of lines at a telephone exchange, but like the latter it could be controlled and operated from one central source. Former dictatorships needed collaborators of high quality even in the lower levels of leadership, men who could think and act independently. In the era of modern technique an authoritarian system can do without this. The means of communication alone permit it to mechanise the work of subordinate leadership. As a consequence a new type develops: the uncritical recipient of orders."

This description threw new light on what appeared the incomprehensible totality of the dictatorship under which Germany suffered, and a continuation of this line of thought shows the great danger of a future terrorisation of the people with the assistance of modern technique.

"If a modern industrial state bends its intelligence, its science, the development of its technique and its production for a few years to the aim of securing a lead over other countries in the matter of armaments, then thanks to its superior technique it can, by staking its manpower, completely outdo the rest of the world and defeat it, provided that in the same period other countries have been

using their technical capacities for the advancement of mankind.

"This war ended with rockets guided by remote control, with aeroplanes flying at the speed of sound, with new-type submarines, with torpedoes which automatically guided themselves to their target, with atom bombs and with the prospect of terrible chemical warfare. The next war will inevitably be waged with these new destructive inventions of human ingenuity. Within five or ten years the development of war technique will make it possible to fire rockets from continent to continent with terrifying accuracy. At any time of the day or night, without warning and without visible sign of danger, it will be possible, perhaps with a crew of only ten men, to fire off a rocket flying faster than sound and fitted with an atomic war-head, and so destroy a million people in the heart of New York in a matter of seconds. It is possible for the scientist of various countries to spread epidemics amongst men and animals and to destroy harvests by insect warfare."

That is a fantastic picture of horror, but not an improbable one, and once again it went straight to the heart of the trial, the outlawing of war. "That is why," Speer cried, "the more technical the world becomes the more necessary it is to demand individual liberty and the conscious responsibility of the individual as a counter-weight. That is why this trial must contribute to the prevention of degenerate wars in the future, and to the establishment of basic rules under which human beings can live together."

From the shadow of death, as Taylor said, the Nuremberg Trial was to have opened a door into the light. Did it succeed in doing this?

Chapter Eleven

THE RESISTANCE MOVEMENT

SINCE the war both German and non-German authors have carefully examined the question of whether any resistance against the Hitler regime was attempted inside Germany at all, and if so, to what extent, in what circles and with what success. There has been a great deal of speculation on the point, and the accounts which have been written so far are incomplete and full of errors. The confusion has been still further aggravated by the fact that under the De-Nazification Law very many people have tried to present themselves as 'resisters' in order to evade its provisions. Since the passing of that law the number of 'resisters' has grown from day to day like a snowball. All of them claim to have been involved in the attempt on Hitler's life which took place on July 20th, 1944.

Apart from the Communists, there was hardly an opposition group in existence with which I did not maintain at least some loose contact. The one exception was the Social Democrats. I knew only the old leaders of the pre-Hitler era, who represented their party in the various parliamentary bodies. Personally, they were all highly estimable men, but without exception they lacked that statesmanlike calibre which made a man like Ebert so suited to his high office. When the Kapp Putsch threatened to overthrow the new democratic order in 1921, it was Ebert who warded off the threat within a few days

by ordering a general strike. When the Hitler terror began in 1933 there was not even an attempt at a counter-movement to be seen anywhere amongst the organized socialist working class. And when the German Labour Front under Dr. Ley put the whole trade union movement out of action at one fell swoop not a hand was raised in opposition. That was at the beginning of May, 1933, and a week or so later, on May 17th, the Social Democrats in the Reichstag voted solidly with all the other parties to carry a vote of confidence in Hitler.

This took place although the former Social Democratic Reich's Minister of the Interior, Severing, was, according to his own evidence before the International Military Court in Nuremberg, quite clear in his own mind, even as early as January 30th, 1933, when Hitler was appointed Reich's Chancellor, that his appointment meant war. But Severing's faction in the Reichstag, from which he would certainly not have concealed his view, supported a vote of confidence in the 'War Chancellor' precisely on account of his foreign policy, for that was the point at issue in the Reichstag on May 17th, 1933. They voted their confidence in him despite the fact that Hitler had clearly announced in his speech to the Reichstag that Germany must and would rearm if the other powers did not carry out their promise to disarm. German Social Democracy expressed its confidence in Hitler without any accompanying exhortation, condition or qualification just a fortnight after this same Hitler had arbitrarily abolished the whole German trade union movement.

Political mistakes are often fatal, but they are not defects of character or crimes. The fact that, apart from one or two individuals, German Social Democracy laid down its arms so completely without a struggle can be

explained only by its utter perplexity in face of the problems which harassed Germany after the first world war. German Social Democracy was unable to master those problems although it held political power in its hands for ten long years, and for that reason it lacked all power of resistance against the elemental élan of the National Socialist movement. For the same reason it no longer enjoyed, as it had at first, the confidence of the masses, who now turned increasingly either to the rising star of Hitler or to Communism.

The older officials of the Social Democratic party could not forgive me for the fact that I had repeatedly drawn the attention of Social Democratic governments to the decisive errors they committed in the years 1924 to 1930, and that when I realised that my efforts were meeting with no success, I refused to co-operate with them any longer. And yet my financial and economic policies were considerably more socialist in tendency than any which had preceded them. In particular, I had curbed the reckless expenditure of finance capital by introducing a closer control of banking, and by suppressing stock exchange speculation. And finally, the foreign trade policy I introduced in 1934 was completely in line with Socialism, and in consequence was attacked with particular vigour by precisely those countries which still dabbled in economic Liberalism. To-day without exception the economists of these countries all think along the lines of my policy, and in particular the Socialist Chancellor of the Exchequer in Great Britain. But official Social Democracy in Germany rejected my views, and that is why no personal relationships ever developed between me and Social Democratic circles throughout the whole of the Hitler period, though I was naturally well aware that a number of my friends, and

Goerdeler in particular, established such connections after the outbreak of war.

Of course, Germany's Social Democrats were not supporters or followers of Hitler, but those of their leaders who remained in Germany sought for the time being to make the best of the situation, and in doing so some of them, for instance, the Social Democratic leaders in Wurtemberg, went very far in their advances. There is no doubt that many of them felt that everything could be guided back into normal constitutional channels by ordinary political means. In any case, before 1940 there was certainly no question of any worth-while resistance movement against Hitler on the part of German Social Democracy.

The resistance which began to develop amongst circles of educated young people was perhaps more morally important than practically effective. The best known example, owing to its tragic upshot, was that of the circle around the Munich brothers Scholl. The outlook of these various groups was characterised by a strong feeling of responsibility towards the masses of the people and, in consequence, a tendency, though rather a vague one, towards socialist ideas. In so far as these elements have survived they represent a hope for the future. At that time they were certainly in no position to take effective action, not only because they were too far removed from the centre of power, but also because they were far too idealistic in their outlook. This was true in particular of the whole Kreisauer group.

A witness named Bielenberg gave evidence at my trial before the De-Nazification Court concerning my relations with one of these groups. This group called itself the 'Red Shock Troop' and it was led by Dr. Bley, who was later

editor of *Die Welt*, a newspaper which appeared in Hamburg under British license. It was tracked down by the Gestapo towards the end of 1938 and its activities were thereafter greatly hampered. Bielenberg declared: "On the other hand it was necessary to help the representatives of the remaining cells to prove their identity to their disheartened comrades. It was Bley's idea to do this by obtaining and disseminating valuable information, particularly advance information, which could be obtained through the ordinary Press either not at all or not so soon. . . . Trott, who had been acquainted with Schacht for years through the Rhodes Stipendium, of which Schacht was a committee-member, explained the matter to him. From then on, beginning a few months before the outbreak of war, Trott regularly visited Dr. Schacht for this purpose, and received information from him to be passed on to Bley. That is as much as I know of the matter from the reports of Trott. During Trott's absence in the winter of 1939–40 I took over this task as his representative. During the months in question I visited Schacht regularly, about half a dozen times at regular intervals. When I went to see him the first time he had already been informed by Trott of the purpose of my coming. During our discussions he showed a keen interest in our work. He stressed the point that it would be possible to avoid revolutionary chaos on the one hand and, on the other, the protraction of a military dictatorship beyond the first weeks of the putsch, only if the masses of the working people could be persuaded by their own organization, no matter how small it might be, that their interests would be looked after by the new government, in which, of course, all anti-fascist parties would be represented. After Trott's return from the United States in the spring of 1940 Trott

himself once again undertook the maintenance of liaison with Schacht."

I had given Trott letters of introduction to American friends of mine for his journey to the States. Trott later belonged to the Kreisauer group and he lost his life with the others after the failure of the attempt on Hitler's life on July 20th, 1944.

Right from the beginning there was a good deal of unspoken opposition to the government, extending far beyond the ranks of German Social Democracy. This sort of opposition embraced wide circles of employers, scientists, Freemasons and Jews, and included the Churches, the political Centre and other elements. But it made itself felt only very occasionally, and then particularly on the part of the Churches. There was also a very limited amount of illegal propaganda conducted by the Communists. In its own field the Church succeeded by a fairly determined resistance in keeping its own organization intact. It is noteworthy that in the beginning there were influential voices in all circles which contended that, burdened with many unpleasant and reprehensible qualities though it was, the National Socialist movement would discard its revolutionary trappings in the end and turn to a more reasonable policy. This view was strengthened by the undeniable success which attended the efforts of the movement in the first years of its rule, to abolish social and economic abuses and to restore to Germany's self respect as a nation.

These successes caused astonishment and admiration both at home and abroad. The proclamation of the right to employment, the abolition of strikes and lock-outs and the simultaneous abolition of unemployment, the settlement of wage disputes by arbitration under the aegis of

governmental bodies, the establishment of a feeling of community between workers and managements, the calling up of all classes for labour service, the selection of talented individuals from amongst the poorer classes, the encouragement of a proper use of leisure, holidays and sport facilities, and so forth—all these things encouraged a hope that the class struggle might be overcome and social peace permanently established. Marriage loans, maternity assistance, special taxation rebates for large families, generous grants for the building of homes, food controls, the encouragement of peasant holdings, small trading and artisanship, &c., were all measures which shewed the same general tendency towards social *rapprochement* and economic equalization. Thanks to all these things there was a widespread tendency to give the new regime a trial even among many who disagreed with it in fundamental matters, particularly of an ideological nature —for instance in questions of personal security, free speech, equality before the law, confessional freedom, liberty of conscience, tolerance and humanity.

Even such an uncompromising and lucid spirit as Karl Barth* writes: "In the first period of its power National Socialism certainly had the character of a political experiment like other creeds, and the Church in Germany at the time—and that is still my opinion to-day—had a right and a duty to take this into account, and to give it time and opportunity as a political experiment, and thus at first to remain really neutral. . . . Everything has its time. It was right and proper at first to give the political experiment of National Socialism its time and its chance. Its goal could probably be guessed even then, but it could not be known with such certainty that, on the basis of this know-

* In *Eine Schweizer Stimme 1938 bis 1945*, p. 80

ledge, the Church ought to have, or even could have, taken up its position with either yes or no."

At first, words of hope and confidence came even from the ranks of the Catholic clergy, and it was in this spirit that Cardinal Faulhaber, for example, spoke in the spring of 1933 at a Catholic congress in Chiemgau.

In the beginning not even Jewish circles in Germany were all quite clear what National Socialism would lead to, and in August, 1934, the Association of National German Jews issued a public appeal on behalf of its eight thousand members in favour of Hitler's election as Reich's President, which read: "We members of the Association of National German Jews founded in 1921 have always placed the welfare of the German people, with whom we feel ourselves indissolubly connected, above our own welfare both in war and in peace. Therefore we welcomed the national resurgence of January, 1933 despite the fact that it involved hardship for us, for we regarded it as the only way to repair the damage done in fourteen unhappy years by un-German elements."

Thus outwardly at least there was no visible resistance to the regime anywhere in Germany, and for that reason all hopes necessarily centred themselves more and more strongly on those forces which were operating inside the government as non-Nazi coalition partners. Although the Weimar Constitution contained the unfortunate provision that general lines of policy should be laid down by the Reich's Chancellor—a provision which deprives his Ministers of any real influence on policy as a whole—at least each Minister was still in a position to resist abuses and injustice on the part of National Socialism in his own sphere as vigorously as he liked. Their responsibility in this respect became all the more important, the more

Hitler suppressed the free expression of opinion outside and reduced the possibility of any political opposition.

Thus the only possibility of resistance which remained was from within. It was this which persuaded me to accept the Reich's Ministry of Economics in August, 1934. Unfortunately, it must be admitted that the hope of any active resistance on the part of non-Nazi Ministers within the government proved illusory.

Hugenberg, the Chairman of the German National People's Party, was responsible for the first serious disappointment in this respect. He had entered the coalition government fully aware of all the dangers involved, and it was a self-sacrificing, politically correct and patriotic action. The efforts of Hugenberg and his party—which still held over fifty seats in the Reichstag—should have been directed towards exercising a control on Hitler's policy, and resisting all unethical measures and, in particular, defending the constitution and the rights of the Reichstag. Hugenberg held two important Ministries, Economics and Food, but politically he failed completely. His support for the Enabling Law is incomprehensible, for it paralysed him and his party in the Reichstag just as much as it did all other parties. It is incomprehensible that he should have let himself be manœuvred out of his two important positions without at least seeing to it that they remained in the hands of representatives of his own party in accordance with Hitler's agreement when the coalition government was formed.

Hugenberg certainly realized his responsibility for controlling Hitler's policy, as can be seen from the statement he published on April 11th, 1933: "Despite the burden of work which now rests on my shoulders, I have not resigned the Chairmanship of the German National

People's Party. For on the one hand I need the German National People's Party as the organized upholder of the views which I represent within the framework and as a member of the National Government. On the other hand I am, and I shall remain, responsible for the German National People's Party's remaining a loyal and vital part of the national and social community which we founded on January 30th last. For a long time I have stressed the view that we must stretch our arms out as far as possible in order to meet the development of men's minds towards the Right. . . . Opportunist politicians must not be permitted to obtain any influence over the direction of our policy—we shall not permit ourselves to be overwhelmed by strangers. We shall march resolutely along the path laid down by the alliance of January 30th last, and we harbour no concealed thoughts from our allies, whose services towards the new Germany which will be created we admit freely and without rancour. At the same time we naturally claim for ourselves that we are fully conscious and fully equal co-fighters. No one who has fought in our ranks as a German Nationalist may be touched. We do not belong to that pitiful sort of citizenry which abandons its trusted and proper place in difficult and tumultuous times. And further, we feel ourselves exalted by the consciousness that we are a necessary part of the phalanx of the future. All revolutions involve a danger that they may go too far and end in radicalism, losing all historical continuity, and ending in spiritual and material chaos. We belong to those powers which stand as a guarantee that what people call the revolution of 1933, and what has been introduced under the protectorate of the Reich's President and Field-Marshal von Hindenburg with due regard for German law and order, will really lead

to a German resurgence. Omelettes cannot be made without breaking eggs, we know, but every one taking part, every leader—and the more so the higher his position is and the more unconditionally his leadership is recognized—is responsible before history that the aim and upshot of the new regime shall be not a heap of ruins, but new hope for the people."

Thus Hugenberg was well aware of the nature of his task; but even in this declaration we can sense how feeble the resistance really was. A few months later, in July, he resigned unconditionally from both Ministries, and although he remained a member of the Reichstag he never raised his voice politically again.

The other non-Nazi Ministers were also found wanting. The Minister of Justice helped to whitewash all the violations of the law which were committed by the regime and the Nazi party. The Foreign Minister said nothing whatever to his colleagues concerning Hitler's clearly expressed warlike intentions. The Finance Minister repudiated under no duress the guarantee given by the Reich in connection with the Mefo Bills. And the Minister for War forced on rearmament to an excessive degree against his better judgement and in defiance of the economic and political reports made to him. Nowhere did I find any support for my own resistance to Hitler's policy of excesses.

Nevertheless I unwaveringly continued this resistance for as long as I could. I was the only Minister who officially took it on himself to protect the Jews, openly resisted the political control of his officials by the Nazi Party, openly refused to discriminate against the Freemasons amongst his officials, openly opposed excessive armaments, openly came out in support of the Confes-

sional Church, and constantly urged that the budgetary obligations of the Reich should be met in the normal way. In no other Ministries and offices did Hitler's policy of violence meet with any resistance whatsoever.

It is certainly true that in most of the Ministries there were higher officials who were strongly opposed to the regime, but they could do nothing over the heads of their Ministers. The best one could hope for was that from time to time one might obtain information from them. Only when the danger of war became imminent was it possible for these officials to make their influence more strongly felt, particularly when their work allowed them to maintain relations with other countries. Both in the Foreign Service of the Ministry of Foreign Affairs and in the Counter-Espionage Department of the War Ministry something like a narrow circle was formed of those who could see disaster approaching and were anxious to avert it. For the time being, however, the opposition did not go beyond the stage of discussion and conjecture until in the spring of 1938 the Fritsch crisis opened the eyes of all those in the inner ring and raised the question of action.

Unfortunately the first effects of the Fritsch crisis amongst Germany's soldiers were a series of resignations. General Adam, the Commander in the West, resigned. The Chief of Staff, Beck, also resigned. Colonel-General von Fritsch himself remained completely passive. General Kluge was unable to make up his mind, and his conscience suggested first this and then that alternative. Beck's successor, Halder, was forcible feeble, like a rubber doll—impressive when blown up, flabby when deflated.

I could find only one general who was reliable and prepared to act, and that was the Commander of the

Berlin Military District, Lieutenant-General von Witzleben. Herr Brink, a lawyer, who worked in close conjunction with Witzleben during the war as a Lieutenant-Colonel on his staff, gave the following evidence concerning my relations with Witzleben before the Stuttgart De-Nazification Court:

"In October, 1940, I was appointed to the newly-formed Staff of the Supreme Commander in the west. From October, 1940, until the beginning of March, 1942, our Commander was Field-Marshal von Witzleben. Throughout this period I was always a member of the Staff and my personal relations with Witzleben became very friendly and confidential. At that time Witzleben was already working with Colonel-General Beck and General Oster in the preparation of a military rising against Hitler. On our Staff there were three officers who were the confidants of Witzleben: Captain Count Schwerin von Schwanenfeld, who was the most active, General-Staff Major von Voss and myself. . . . I am the only one of this circle who is still alive. Schwerin was hanged in August, 1944, and Voss shot himself. Field-Marshal von Witzleben talked confidentially to Schwerin and me and discussed various prominent people in important positions, and how far they were likely to be of any value to us in the coming insurrection.

"From these talks I know that the idea of a military insurrection against Hitler was first given to Field-Marshal von Witzleben by Dr. Schacht. Field-Marshal von Witzleben told me that before the war, when he was Commandant of the Berlin Military District, he had had a discussion with Dr. Schacht in which the latter had convinced him of the necessity of a military coup to overthrow Hitler. Witzleben, whom I knew very well, retained

this conviction from beginning to end. I think I may say that his judgement on the political situation in Germany and his decision to change it by armed intervention were decisively influenced by his very high opinion of Dr. Schacht's political ability and patriotism. One thing is quite certain, and that is that Field-Marshal von Witzleben was the only one amongst all the responsible commanders of the armed forces who was strongly in favour of armed action against Hitler from the beginning, that he worked actively to bring it about, and that once he had decided on it he pursued this line unfalteringly until he mounted the scaffold after July 20th as the first of Germany's responsible army commanders to pay the penalty. It is quite certain that his attitude in this respect was decisively influenced by Dr. Schacht."

During the summer of 1938 Witzleben and I discussed various political measures. Our intention was to seize Hitler and his accomplices and depose him from office, to establish a provisional military government, to create a provisional civil administration with the co-operation of a temporary parliamentary body elected amongst the representatives of the factory workers, to proclaim a staunch policy of peace towards our neighbours, and then to proceed as rapidly as possible to hold new general elections for the Reichstag with a view to re-introducing democratic parliamentary government. At the same time Witzleben was engaged with General Brockdorf-Rantzau and Gisevius in working out the tactical measures necessary for carrying out the coup d'état. Only a very few people were taken into our confidence, such as Beck and Oster. The co-operation of the new Chief of the General Staff, Halder, was urgently necessary, and was finally obtained after all the participants had taken great pains

to influence him in our interests. The prospects for the success of our coup were very favourable, because at this early stage National Socialism had not yet succeeded in permeating the armed forces to any great extent, and so could rely only on small S.S. groups for armed support. At this point the arrival of Chamberlain and Daladier in Munich, and Hitler's triumph upset all our plans.

The paralysing effect which the signing of the Munich Agreement had on all prospects of resistance in Germany in the period that followed can best be seen from the change which it wrought on the attitude of her leading soldiers and on the Officer Corps in general. Hitler's success was undoubtedly impressive, and more and more people were won over to his side whilst the critics and the sceptics lost credit. After that first failure no plans for armed resistance got farther than discussions of the pros and cons.

A few days before the war against Poland was launched, General Thomas and I tried to get into touch with Generals Brauchitsch and Halder in order to urge them to respect their oath to the Constitution, which provided that war could be declared only after the agreement of the Reichstag. We were not allowed to speak to them. Instead, we were threatened with arrest. A warning memorandum put forward by General Thomas concerning Germany's inadequate economic war potential, was rejected by Keitel and Hitler with contempt, and the war began.

Up to this time the circle of active resistance to Hitler's policy had been confined to the persons already mentioned. After the outbreak of war many new recruits to the resistance movement sought closer contact with us, including Goerdeler, Hassell and Popitz.

Goerdeler was a man of unblemished character, great

courage and boundless energy, but, to use the expression of Dr. Joseph Mueller, he was a motor which made too much noise in running. In addition, his plans and his moods changed constantly. His sense of reality was not very strongly developed, although he invariably decorated his prophecies and his arguments with tables and figures, prophecies which never came true, or not in time, and arguments from which many important factors were left out. That is probably why Goerdeler never succeeded in persuading any of the Field-Marshals to take action, though at some risk to himself he repeatedly approached a number of them.

Hassell had been dismissed from his post as Ambassador to the Italian Government in 1938. His was a more negative and contemplative spirit. His posthumously published diary, which was subjected to no critical revision before publication, shows him to have been an engaging personality reacting swiftly to all momentary impressions, but not a man of action.

Popitz was a man of wide education, and was moved by a burning desire, originating in the depths of his own conscience, to repair in some way the political error he had committed in allowing himself to become one of Goering's collaborators. Unfortunately, for a long time, he believed that Hitler could be overthrown with the assistance of his own accomplices, in particular Himmler. It was a new and fatal error which cost him his life and the lives of those who shared it with him, including the Berlin lawyer, Langbehn, and the former Diplomatic Councillor Count Bernstorff.

In our circle the increase in the number of 'conspirators' was not welcomed with unqualified enthusiasm. For one thing it was quite clear to us that the larger the circle

of conspirators became, the greater would be the danger of discovery, but a second factor was still more important: in all our discussions of the situation we had been compelled to recognize again and again that the blow against Hitler could be launched only by the soldiers. Our civilian resources were useless for the attempt itself; they could come into operation only after the coup had succeeded and it became necessary to rebuild our political democracy. However, the urge of the civilian conspirators for some sort of action necessarily drove them to discuss the political form of government which was to follow the coup. This resulted in their passing from action to talk, instead of the other way round. We, however, were interested only in action, and for this we needed a force strong enough to suppress any armed resistance the Nazi Party might be able to muster against the coup, and to exercise provisional police powers throughout Germany afterwards. Now, the prospects of a successful military coup steadily worsened so long as the fortunes of war continued to favour Hitler, and therefore an attempt on his life was the only possibility; but even this was possible only with the close co-operation of the soldiers. From the beginning of the war Hitler retired completely from civilian life and moved exclusively in military circles. It was therefore impossible for a civilian to get anywhere near him. Thus the only civilians who were of any use, as far as our plans were concerned, were those who were in a position to exercise influence on the soldiers and persuade one or the other of them to take action.

From 1940 onwards I never ceased to favour an attempt on Hitler's life, for, as I saw it, this was the necessary preliminary to overthrowing the Nazi regime. The rapid and successful conclusion of the campaign against Poland and

the inactivity of the Western Powers had tremendously increased Hitler's prestige amongst Germany's soldiers, in particular amongst the younger members of the Officer Corps. To a great extent the politically uncritical rank and file were also influenced in his favour, so that a coup d'état without his personal destruction involved an increasing danger of internal struggles. The upshot of a coup, quite apart from the horrors of civil war, would be incalculable. National Socialism was making rapid progress in the armed forces. The Waffen S.S.* was being rapidly built up. The Munich Agreement had thrown all our previous plans for a coup d'état into confusion, and now the rapid success of the campaign against Poland made it still more difficult for us to win over the soldiers for a new military coup. The attempt on Hitler's life was a simpler proposition.

The approaching campaign in the west stimulated our efforts. Brauchitsch, Halder, Keitel, Reichenau, Rundstedt, Bock, and the others, were all informed of our great misgivings concerning the continuation of the war. We based our arguments primarily on economic factors, and with our assistance General Thomas drew up detailed memoranda setting out the position. We were able to speak more freely amongst our closer friends. A detailed discussion with General Hoeppner showed me that he had come over completely to our way of thinking, not only because of the economic arguments we had put forward, but for ethical and political reasons, and that he was now prepared to take part in any action which promised success. However, all action was prevented again and again by the opposition of Brauchitsch and others. Hammer-

* The Waffen S.S. consisted of those S.S. units which were brigaded, equipped, and trained as regular armed forces but under their own generals. —*Trans.*

stein, who was called 'the Red General', planned to seize Hitler when he came on a visit of inspection to the western front, but nothing came of it because the visit was cancelled.

From the end of 1939 onwards, the attempts to strengthen the backbone of the soldiers by establishing relations with enemy countries in order to create a basis for peace, proceeded on the understanding that Hitler himself was to be done away with. Thanks to Dr. Joseph Mueller's valuable role as mediator, these efforts were carried out under the protection of the Vatican. A not unfavourable report from Rome fell on unwilling and deaf ears as far as Brauchitsch was concerned. And then the opening of the attack in the west once again postponed everything to the distant future.

Before the attack on Russia, we once again put strong pressure on Halder, but although he was once again prepared to agree that Hitler should be done away with, he was unable to secure Brauchitsch's agreement.

And so it went on throughout the whole of the war. A dozen and more of the responsible commanders of the German army knew about our intentions to organize a coup d'état, even to do away with Hitler; but we could not persuade them to come down clearly on our side. They discussed the matter amongst themselves, and although they gave Hitler no warning of what was in the wind, neither did they actively join forces with the 'conspirators'. They deceived and disappointed both sides. In April, 1940, at Goerdeler's insistence, Halder wrote a letter to the effect that the Army would do its duty even if this meant opposing the government, if the situation of the Fatherland demanded it. But what could we do with a vague and general assurance of that sort? It left

everything open. Admiral Canaris, who always defended his confidant, General Oster, was quite right when he declared that we must make up our minds that nothing could be expected from the soldiers. The discussions at the Vatican went on, but they petered out finally in the Stalingrad debacle.

The group already described, which tried again and again to induce the responsible military leaders to take action, was the only really active group in the whole resistance movement. Naturally, I did not know all who were in the circle—in fact, I could not possibly have known them all, as the Generals involved undoubtedly had their accomplices and helpers in their own circles. The recruitment of General Olbricht to our cause in the spring of 1941 was particularly valuable. The greater the misfortunes that Germany met with in the war, the larger grew the circle of high-ranking officers who sympathised with the conspirators and finally consented to help. Unfortunately that help could no longer have the value it might have had in the preliminary stages, for now it was no longer a question of a carefully planned coup d'état, but of seeking a suitable opportunity to do away with Hitler.

The circles and groups which existed from approximately 1941 onwards in the civilian world, did not therefore affect the situation. However, Goerdeler got into touch with them, and in particular with the younger and more energetic remnants of the Christian and Social Democratic trade union movements. In conjunction, partly with them and partly with old political friends, he drafted constitutions, government programmes, appeals and speeches, and drew up lists of those who were to become Ministers and occupy leading positions in a post-

Hitler government. This activity proved fatal to most of them after July 20th. Only a small number of the occasional parties to these discussions subsequently succeeded in escaping the attentions of the executioners. These paper preparations for a hypothetical eventuality had no practical significance at all, and all they did was to reveal the differences of opinion which existed amongst those taking part in them. Goerdeler's economic views, which were still largely liberalistic, were opposed by the younger men, who saw Germany's salvation in a Socialism of a new kind, whilst the group around Hellmuth von Moltke in Kreisau rejected Goerdeler and Popitz altogether as Germany's future leaders. That is the sort of thing that will always happen when discussions centre around theories.

The narrower circle of active participants took no part in all these theoretical discussions. We knew that even after the successful removal of Hitler, the exigencies of the situation would raise problems which would have to be solved on the spot without regard to theories and with whatever forces we might happen to have at our command at the time. The more the misfortunes of war crowded in on us, the more pointless all such theoretical programmes became. I have no desire to belittle the self-sacrifice and good will of the excellent men from the ranks of Social Democracy, the trade unions, the Church and youth, but the fact must be recorded that they had no influence on the military leadership or on those who were directly concerned in the attempt which was finally made on Hitler's life.

In the end our desire for action found an instrument in the person of an individual who acted only in accordance with the dictates of his own conscience, though with the

support of military helpers, just as von Schlabrendorf had done, equally unsuccessfully, before him. No matter how highly one may esteem the theoretical labours of those conspirators who were not active participants, the course of historical events made it quite clear that after the end of the war, political conditions would be quite different, that new problems would arise, and that the exigencies of the new situation would make it impossible to carry out all the political theories and plans previously elaborated.

There is still a small group of men to be mentioned, a group who set their hopes, not on anything which could be done at home, but on outside intervention. One or two officials at the Ministry for Foreign Affairs in particular worked in this direction, and by passing on political information to political quarters abroad tried to secure help against Hitler. They found themselves engaged in a ceaseless struggle with their conscience in order to decide whether, and if so, how far, they were entitled to further their morally justifiable high treason by means which would involve them in charges of betraying their country. I gave no encouragement or support to these people, but I highly respect all those who acted in this conflict according to the dictates of conscience and without thought of self. Not all did that. But no blame attaches to those who did; it falls exclusively on those who attacked the rest of the world in defiance of all moral, legal and responsible obligations. Whoever flings down the gage of battle must have ethics and justice on his side if he hopes to keep his rear secure.

Such 'treasonable' activity, however, became quite excusable when those who engage in it have had good reason to believe that they enjoyed support in the close circle around Hitler himself. This was the case with

Langbehn and his friends when, with the knowledge of Himmler, they sought to get into touch with enemy countries through Switzerland. The murder of these men, in order to cover himself, will always remain one of the basest of Himmler's crimes.

When Colonel Claus von Stauffenberg first became acquainted with the conspirators in Berlin at the beginning of 1944, it was already quite clear to all those in the know that there was no longer any hope of a systematic and organized military coup d'état. Conspiracy as a joint undertaking, which even then had never embraced more than a small circle, now had to give way to the self-sacrificing undertaking of an individual. With this the conspiracy as such was at an end.

The central leadership which had existed up to that time, theoretically at least, in the hands of Beck, no longer existed. The whole tragic, or rather melancholy, development of the attempt launched on July 20th, 1944, can be traced to this change. Whoever reads the description of the happenings of that day as set down by the eye-witness Gisevius, the historian of this terrible episode, cannot shake off an impression that a feeling of complete helplessness and perplexity existed amongst the actors and helpers on the day of the attempt.

Throughout the whole previous period Beck had never broken contact with Goerdeler, who did his best to persuade the soldiers who sympathised with his aims that after a successful coup against Hitler there would be a Reich's government ready to take over the political tasks which would arise both at home and abroad. But it was not long before he discovered that Stauffenberg had his own political views and his own ideas about who should put them into practice and that these did not tally with

Goerdeler's own. Beck had no alternative but to avoid all argument on the point. Stauffenberg volunteered to carry out the attempt on Hitler's life and with this he put all those who disagreed with him out of court from the start. Action was the decisive thing. Opposition to the man who was prepared to act might have prevented action altogether.

Beck also had no further control over the time element. The accidental circumstances which might offer a chance to carry out the attempt could not be decided on in advance. An opportunity occurred on July 11th, but Stauffenberg deliberately let it slip. An expected opportunity on July 15th did not materialise because Hitler postponed a lecture he was to have delivered. And no one knew for certain that July 20th would really be the date for the attempt. This uncertainty made it difficult to take even the most urgently necessary military precautions in Berlin, and in fact the military measures taken on that day obviously did not work smoothly. When the news about the success of the attempt proved first uncertain and then false everything broke down. The soldiers did their job badly; they were not used to organizing putsches.

During the whole day there was no sign of any of the civilian conspirators. They had been given no precise information, nor had they been asked to do anything at all, or make any preparations. It was Stauffenberg's action, and no one else was directly involved. The only civilian who turned up as a witness was Gisevius. The man who throughout all those years had, so to speak, kept his hand on the lever, arrived in Berlin from Switzerland before the attempt was carried out, more by luck than judgement, and was unable to exercise any influence on what happened. He had missed the first arrangement on July 11th.

Stauffenberg acted on his own and Gisevius was unable to infuse any system into the affair. Disappointed and embittered by half measures and inadequacies he withdrew from the scene.

While I was a prisoner in American hands I was asked what I really hoped for from the success of an attempt on Hitler's life at such a late stage of the proceedings. A successful attempt even followed by unconditional surrender would probably have saved two things at least: the unity of what remained of Germany, and our own German government.

Chapter Twelve

WHAT HITLER LEFT BEHIND

THE occupying powers have now taken the fate of the German people into their hands. They announce that Germans are not yet mature enough for democratic self-government and that, until such time as they are, they must submit to tutelage. Public opinion abroad seems to consider this educational task of primary importance. Idealistic demands are easier to deal with in public discussion than questions of material existence.

I am far from wishing to enter the discussion in a critical spirit, but perhaps one or two observations might contribute towards a better understanding. Perhaps, after all, it should be remembered that from the days of Charlemagne to the French Revolution, that is to say for about a thousand years, these same Germans were the leading people in Europe and that they set the tone in cultural matters. They occupied a position at the heart of the Old World from which an infinite number of political and cultural branches spread out in all directions —a fact to which even geographical names still bear witness to-day. France of the Francs and the Burgunds, England of the Angles and the Saxons, the Netherlands of the Flemings and the Frisians, the Switzerland of the Alemanni, the Andalusia of the Vandals, the Lombardy of the Langobards, Transylvania in Roumania, Austria and Bohemia of the Marcomanni, the Baltic lands of the German Order which settled there—all these drew

strength and inspiration from the German heart in the centre of Europe to enable them to develop into new national units of their own. It was fatal but inevitable that these countries should come into conflict with the original centre. In spite of that, this German centre maintained itself for a thousand years.

The German Empire suffered its first really serious defeat in 1918. Even after their defeat by Napoleon, Prussia and Austria could still hope for future assistance from England and Russia. But in 1918 Germany and Austria were completely isolated, and under pressure from the victorious powers the outer breach was followed by an inner. Germany's traditional form of constitutional monarchy was thrown overboard and a Republican Constitution adopted, based on theoretical considerations for which very few Germans felt any real inner sympathy, since they flew in the face of all tradition. No one can doubt to-day that if the monarchical form of government had been retained in Germany, a Hitler would have been impossible. No doubt the monarchy would have had to continue to advance along the path which had already taken it from absolutism to constitutionalism, but its sudden and violent disappearance interrupted the historical circulation of the blood.

The Republic lacked authority, and without authority it is impossible to govern. A one-time saddler named Ebert now suddenly became head of the State. Whoever knew Ebert will rate both his capacities and his character highly, but he nevertheless lacked something which even his high personal qualities were unable to replace. His successor, Hindenburg, derived his authority from his career as a soldier, but even he could not replace what centuries of history had given to a ruling house. Even the most insigni-

ficant of the Hohenzollerns evoked memories of the Great Elector and of Frederick the Great. Authority which has grown gradually cannot be replaced by synthetic authority. A step-father will always find it difficult to acquire the authority of a real father.

In addition to this, the Republic lacked experienced statesmen to govern the country, such men as had developed in the course of time in the western democracies. Parliamentary and constitutional methods put men at the top in Germany who were not big enough for their tasks. They were unable to master the difficult problems which beset the life of the German people. And their inability opened the floodgates to irresponsible and reckless agitators. Operating formally on a perfectly legal democratic basis, a campaign of demagogy finally led to the establishment of a tyranny. If we seek an explanation for the failure of the German people to recognize the danger of that tyranny in time, until finally they succumbed to its terrorism, then we must look for it in the violent break with tradition which preceded that tyranny. History teaches us that a continuation of an established tradition of development is always preferable to a new beginning.

It is probable that the first fears of the occupying powers that something like a Hitler legend might develop have now been allayed, but they are still trying to abolish the Nazi ideology by legal and administrative measures. Let them rather abolish Germany's distress and there will never be a Hitler era again. It was simply and solely his successful exploitation of the economic and spiritual needs of the German people which helped Hitler to popularity. It was the abolition of unemployment and of the class struggle, and the restoration of Germany's national

prestige which consolidated his victory. His ideas on the subjects of race, the leadership principle and militarism were not taken seriously by more than five per cent of the population. The Jews persecuted by the Nazi Party elicited only sympathy from the population. People only laughed at Himmler's Nordic race fantasies. Goebbels was popularly referred to by a nickname indicating that if he was really a Nordic he must have shrunk in the wash. The whole population inwardly resented and passively resisted the arrogant leadership principle, which made a little tyrant of every Nazi Block Warden. As for the war, no one wanted it in Germany apart from one or two leading Party figures and a few ambitious soldiers, who plunged the people into war against their will and without their previous knowledge. The Nuremberg proceedings produced no proof whatever that the mass of the German people had any share in the Nazi ideology as defined by the prosecution.

In fact, there was never any such thing as a Nazi ideology in the sense of a system of co-ordinated ideas on world sociological and political problems. No one can point to a single philosopher who has produced any ideology of a National Socialist kind, whereas all other political systems, Liberalism, Communism, Socialism, Conservatism, &c., are supported by a systematised and co-ordinated outlook. National Socialism represented the brutality of action; it consisted of deeds, not thought. For this reason it will be an easy matter to exterminate it and to prevent any Hitler legend from developing from the start, if only it proves possible to give the German people the chance to live. Everyone who has been guilty of brutal actions should and must be punished. But whoever seeks to exterminate so-called National Socialist ideas will lose

himself in a maze—in fact, he even runs the danger of conjuring up an ideology which future thought may take seriously and connect with Hitler's name. For after all, what was accomplished in the beginning under Hitler in the way of social measures, labour provision and labour regulation, was quite considerable. We should take care not to brand the ideas which lay at the basis of these things as National Socialist. Such ideas had long been in existence; it was simply that no one had put them into execution before.

The Nuremberg bench was wise not to wage a struggle against this alleged Nazi ideology. Laws can be directed only against actions and not against ideas. Whenever dangerous ideas have become troublesome in history, rulers have always taken extra-legal action even when they tried to give it a legal cloak. Revolution, despotism and the Church have all sought in vain at some time or other to defend themselves against ideas which they feared might lead to a restriction of their powers. It is the noble privilege of democracy that it strives to defend itself against ideas with other ideas. We do not need to recall the atrocities of the mediaeval Inquisition or of the French Revolution; the example of the Hitler period lies much nearer to hand. Whoever dared to express Communist, Liberal or, indeed, any nonconformist ideas, was punished by the loss of liberty and property, and often by the loss of life as well. From Giordano Bruno to Ernst Thaelmann all periods have had their victims to the fanaticism of ruling ignorance and malice. Hitlerism was only the latest manifestation of this truth.

Evil communications corrupt good manners. Whoever sought office or position under Hitler did his best to show his National Socialist views as ostentatiously as possible,

and now that Nazidom has gone, whoever seeks his personal advantage makes a point of parading his democratic convictions. The secret nature of thought has its good side and its bad. Expert knowledge must be demonstrated in practice, but a man can pretend to hold any views he likes. The law relating to the abolition of National Socialism and Militarism promulgated on March 5th, 1946, encourages such hypocrisy to the utmost. Its application lies in the hands of a political Minister. This Minister appoints the judges to sit in the De-Nazification Courts, and these men are chosen according to party membership, members of non-democratic parties being excluded. Communists therefore now pretend to be democrats, whereas before the passing of this law they were known to be all for a class dictatorship.

The law declares its own aim to be the safeguarding of the permanent basis of a democratic German political life. But the law itself was promulgated not by the elected representatives of the people, but by governments themselves appointed by the occupation powers. According to the terms of the law, anyone who furthered and supported the National Socialist regime is to be punished in so far as he was a National Socialist, a militarist or an industrialist. It is difficult to deal with so much ambiguity at once. Undoubtedly anyone who continued to do his duty as an official after Hitler had obtained totalitarian power, furthered and supported the National Socialist regime, and similarly, anyone who carried out government instructions, and everyone who did his legal military duties as a soldier. How does one discover which of all these people were National Socialists, militarists or industrialists? There were numerous members of the Party who were not National Socialists; not every soldier was a militarist;

and not everyone who supplied goods or services to the State was an industrialist.

Persons who uphold the National Socialist ideology, so the law provides, are to be arrested and to suffer restrictions on their freedom of action. What does the National Socialist Ideology consist of? How do you recognize it? And how do you recognize those who uphold it? The law says nothing on these points. Anyone who poisoned the soul and spirit of youth by means of National Socialist teachings or education stands condemned before the law. But what exactly are National Socialist teachings? And what is National Socialist education? Was everything in the National Socialist programme poisonous? Not even the prosecution at Nuremberg dared to go as far as that, and it even admitted that this was not the case. Layer upon layer of ambiguity! Everything is left to the discretion and limited knowledge of the De-Nazification Courts.

The same is true of the procedure at these courts. In normal criminal procedure a series of provisions protect the interests of the accused. This law contains no such provisions, and no procedure has been laid down for its application. Every De-Nazification Court is sovereign in itself. In Bavaria the juridical authorities declare that normal court procedure applies in De-Nazification Courts as well, but in Wurtemberg-Baden the authorities proceed on the assumption that traditional procedure does not apply and that therefore they can act according to their own discretion.

The Stuttgart De-Nazification Court began proceedings against me despite the fact that similar proceedings were already on foot against me before the Nuremberg De-Nazification Court. I was arrested when I remained for an hour in the Backnang district on my way through,

and this temporary visit was declared to be sufficient within the meaning of the Act to justify the opening of proceedings. I was then taken by the police to Stuttgart in order to establish 'domicile' and make it possible for the Stuttgart De-Nazification Court to summon me before them. It was a violation of all justice, and yet there was no possibility of an appeal to a higher authority. The political Minister did the deciding.

This same law is now being put into operation against hundreds of thousands of people, always allegedly with the view to consolidating democracy. Who really supposes that sympathy for democracy can be awakened by such methods? Although there is no Hitler legend up to the present, such a law might well prove the basis for the development of one. Those responsible seem to forget altogether that the best corrective for an erroneous political viewpoint is its own disastrous consequences, as was the case with Nazidom. According to the principles of the law the intention is to correct and not to punish. It is quite understandable that declared and proved Nazis should be kept out of public office. There are countries which consider themselves cultured and civilized in which at every change in the government the officials in the administration are also changed. But are there, in fact, always and everywhere recognizable signs of an individual's political attitude? It was reserved to Hitler to make political views the basis for professional employment. Might it not be said that the Law of March 5th, 1946, is following in his footsteps?

Whoever wants to convict all the Nazis in Germany must include that forty per cent of the electorate which gave Hitler its votes in July, 1932. I was not one of them. But surely these voters, who acted in good faith, are less

guilty than the representatives of the political parties who voted in favour of the Enabling Bill on March 23rd, 1933, and thereby gave Hitler totalitarian power? Those people who voted for Hitler did not do so because they shared any Nazi ideology, but because Hitler promised to save the German people from the distress and misery into which the democratic parties had let them slide, and because he showed energy. It makes no difference at all whether these democratic parties let it happen as a result of incompetence or because they were doctrinaire. A democracy which lets the people starve is condemned no matter how noble its principles may be.

Article Thirteen of the famous Declaration of the Rights of Man, proclaimed at the time of the French Revolution, declares: "No one shall be molested in religious, philosophical or political affairs on account of his origin, his opinions or his beliefs." And consider the Pope's recent declaration on the same theme: "It is an error to think that a man can be declared guilty or responsible because he belongs to a certain community, without taking the trouble to examine in each individual case whether that man has made himself personally guilty by acts or omissions." No one will deny that in this the Pope expresses the opinion of Catholics all over the world, and not only of Catholics. Of all the prosecutors at Nuremberg only the British Prosecutor declared that the accused were not charged on account of their opinions or their ideology but solely on account of their deeds.

If there had ever been a Nazi ideology, then even after the collapse something of it must have remained behind in people's heads. The official high priest of the National Socialist party and the upholder of its 'ideology' was Rosenberg. He directed and controlled the ideological

training and formation of the party and of the National Socialist State. Has anyone ever heard of any occasion on which he gave the world a systematic account of this ideology? He certainly wrote a book called *The Myth of the Twentieth Century*, but that does not fill the bill. It is an utterly amateurish, immature and confused book that not more than a few score people have ever read in its entirety and that no one at all has really understood. Rosenberg was hostile to the Church, but did he ever try to set up anything to take the place of the Church? Hitler himself often laughed at him: "You're no prophet and no founder of a religion, Rosenberg. Better keep your fingers out of it." Hitler knew that the power of religion was indestructible, and much as he hated priests and parsons he realized that it would be a political stupidity to come out into the open against them. "A politician should never beat at skirts; either women's skirts or parsons' skirts," he declared on one occasion. But that did not prevent him from allowing his followers to wreak their vengeance on priests and parsons.

National Socialism went through fourteen years of political struggle in opposition and enjoyed twelve years of power. That was time enough to have brought some connected description of the new spiritual forces of this movement into being if there had, in fact, been any such new spiritual forces at work. But there were none. Hitlerism was a reaction to economic distress and spiritual depression after the defeat of Germany in the first world war, and a revolt against the incompetence of democratic governments, and nothing else. Nazi 'ideology' was nothing but an invention, a name, an attempt to create the impression that there was something higher, something idealistic, in the movement. For the same reason Hitler,

unlike the Communists, did not ignore or denounce the moral and spiritual traditions of the German people. The great men of German history were praised, the Church was promised protection, the family was to be encouraged, and the great thinkers and philosophers of Germany's past were honoured, and at the most somewhat distorted to make them fit in better with National Socialism. Hitler was clever enough not to destroy—at least, not to destroy openly—what was traditionally very dear to the heart of the German people.

What did National Socialism produce in the way of spiritual achievements of its own? You can search in vain throughout the whole official Third Reich for any representative intellectual or artistic figure. There are no poets or philosophers of a Hitlerite stamp.

There were a number of sculptors and architects, men who were quite capable sculptors and architects before Hitler arrived, who came to the fore under his rule because there were big schemes to be carried out. In general, artists are not much interested in politics, and not one of them can be cited as the representative of a specifically National Socialist point of view in art—certainly not in his best work. Many of them were given big commissions by the party and the National Socialist State, but what was National Socialist about them had nothing at all to do with art. National Socialism tended towards the gigantic, the mass, the 'unique'. Sculptors like Thorak created enormous groups. When he set to work to sculpt 'The Monument of the Movement', someone ironically advised him to put it on wheels. Breker modelled Germanic he-men by the dozen, but his real artistry did not express itself in such creations. The architects had to draw up plans for halls and castles of enormous dimensions.

Great masses of cement piled up, and front elevations extended everywhere and led to the mocking remark of the man in the street: 'Five hundred yards of Reich's Facade'. But all this building did not produce a style as an expression of artistic feeling.

And as for painting! Probably at no time since the Renaissance did artists, and in particular painters, receive so many commissions as they did under Hitler. But never was art expected to conform so closely to a particular pattern. Like sculpture and the plastic arts, painting had to serve the purposes of political propaganda and to glorify Hitlerism. I look back with horror to the annual exhibitions in the House of German Art in Munich, at which it was difficult to find even one work of real artistic feeling amongst the hundreds of tendentious and stilted tradesmen's efforts all around. Hitler was insolent enough to give artists exact instructions concerning technique, content and style, and they had to obey them if they wanted to sell their works. The best artists rejected this temptation.

Hitler's taste in music was as crude as his taste in painting. Beethoven and Bach meant nothing to him. On the other hand he got them to produce Wagner's *Mastersingers* for him more than a hundred times. He had a soft spot for military musicians, and this may explain his liking for Lehar. On one occasion at an official banquet I was sitting next to Funk, the Minister of Economics, when the strains of *The Merry Widow* sounded. "The Fuehrer is very fond of this music," Funk observed. "It's a pity Lehar is married to a Jewess. We dare not tell him about it." "But Herr Funk," I replied, "it's your bounden duty to tell him; he'll develop a totally false artistic taste if you don't."

The representatives of science were greatly neglected by Hitler. He was interested only in technical achievements, and not in the scientists on whose discoveries such achievements were based. I cannot remember ever having met a prominent German university professor at any of Hitler's social functions, though Wilhelm II made a point of gathering them around him constantly. Anything intellectual and spiritual somehow disagreed with Hitler, whether it was literary, scholarly or scientific. During the Hitler years the chairs at Germany's universities were filled with such nonentities and mediocrities that educational standards suffered severely. Happily, the student youth were amongst the first to resent it actively. But it is unfortunately true that under Hitler German science, so accustomed to taking the lead, lagged so far behind that it will have great difficulty in recovering its former pride of place.

As far as literature, including poetry, is concerned, there were a few versifiers in the National Socialist world, and they turned out fighting songs, marching songs and similar efforts, but neither poetry nor prose under National Socialism has one real literary achievement to show. What National Socialism claimed as its own were certain figures who enjoyed a recognized position before it came to power, men who chiefly took their themes from the happenings of the first world war and none from the rise of the Hitler movement.

Thus under Hitler we meet with nothing but gaping boredom and emptiness in all intellectual, scholarly and artistic spheres. Nothing whatever of lasting value or of real inspiration was produced by the National Socialist movement. What was really effective in National Socialism, and what swept the youth of the country along with it,

was the adroit fashion in which it stressed and exploited feelings which had existed long before, such as the spirit of comradeship, the renunciation of personal interests in the interests of the community, the abandonment of fruitless discussion, the will to energetic action, the courage to face the truth. I well remember a small booklet which appeared just before Hitler's seizure of power. It had been written by some obviously honest and enthusiastic member of the S.S., and its tenor was "Give us decent upright fellows who can represent the hope of youth". All the promises which the party had made in its propaganda to wipe out corruption and espionage would be fulfilled, political hypocrisy and nepotism would cease, performance and character alone would come to the fore.

Disappointment grew gradually deeper in the years that followed, when those who had believed in the promises saw that, although the same fine-sounding phrases were still being churned out, the actions of the Party's representatives were in glaring contrast to their fine words. Hitler left no valuable intellectual or spiritual heritage behind him.

But more horrifying even than the legacy of intellectual and moral chaos which Germany has inherited from Hitler, is its economic heritage. Not the most logical and ruthless application of Socialist and Communistic economic theories could have had more devastating effects than those produced by Hitler's economic ignorance. It will always remain a reproach to the intelligence and character of Germany's employers in the Hitler period that they did not show more vigour and solidarity in resisting the lunacy of Hitler's Four-Year-Plan and his war mentality in their own special economic sphere.

Leadership in economics and industry also demands

character and responsibility. Too close an intimacy with politics leads in the last resort to the loss of all independence. Whoever believes that cultural progress is based on the development of individuality in men and not on collective mass organizations must do his best to preserve the dignity and independence of this individuality by accepting the responsibility for his own actions and by refusing to subordinate them to some outside power. Mass organizations sink automatically to the level of their lowest units, just as the strength of a chain is the strength of its weakest link. Individualism strives towards the highest aim. At the time of the financial crash in 1931 it was my view that the banks should shoulder the responsibility for their own errors and should not attempt to unload the burden on to the State. A private undertaking which cheerfully pockets all its profits when things go well, but immediately begins to shout for State aid when losses come along, gives the enemies of capitalism just cause for criticism.

The leaders of Germany's industrial and business world should have appealed to reason against Hitler's senseless Four-Year Plan; they should have insisted that each producer should work economically; they should have declared that it was economic suicide and socially criminal to produce when production involved sacrificing the resources of the nation as a whole. But that was exactly what the Four-Year Plan meant, that and nothing else. Hitler's Four-Year Plan had nothing whatever in common with constructive plans like those drawn up in Russia. Once again it was only an attractive blind for the uncritical masses, a slogan for the ignorant and thoughtless public. But no self-respecting industrialist or business man should have been deceived. However, industrialists and business

men crowded into Goering's anteroom in the hope of getting orders when I was still trying to make the voice of reason heard. The day of reckoning came for them too in the end.

The main cause of the economic disruption which took place under Hitler was his reckless rearmament. It was for this reason that my struggle to keep Germany's armaments within reasonable bounds represented the central point of all my conflicts with Hitler. Fully recognizing this fact the Nuremberg verdict declared: "If the policy advocated by Schacht had been put into practice Germany would not have been prepared for a general European war." In other words, as far as Germany was concerned, there would have been no war in Europe. I could hardly have hoped that the court would provide a clearer vindication of my honour, and that not only in respect of my opposition to war but also in respect of my economic policy.

The excessive urge to autarky necessarily led to considerably increased production costs and to a reckless use of materials and manpower. Excessive armaments production cut down the supply of numerous articles of daily necessity for civilian consumption and at the same time reduced our export potential. Taken together, all these things led to a progressive decline in German standards of living. Even before the war had begun Germany had rationed food and clothing. In addition, the quality of consumer goods sank rapidly. Suits bearing the trade mark 'German Oak' began to replace suits made of good Australian wool cloth. Glazed materials began to replace silk. Artificial resin appeared instead of metal, cardboard instead of leather, and so on. Price controls necessarily broke down in face of these substitutes, for it

was not always easy for the general public to recognize the quality of the goods, which was often discovered only when they were in use, and it was already too late.

Every warning to Hitler to be economical in the use of Germany's material resources fell on deaf ears. Apart from armaments, money was poured out extravagantly for urban improvements and for vast building projects. New streets were laid out, often cutting across old ones; party buildings were erected; training schools, meeting halls, sport arenas, community centres, houses, and so on, were run up endlessly; each project on a more monumental scale than the one before. On one of the many occasions when I pointed out to Hitler the senselessness of all this extravagant expenditure of public money, he was obviously so nettled that he replied to me in one of his famous May Day speeches. Clearly referring to my criticism he invited his listeners to consider the Egyptian Pyramids which, he declared, had upheld the prestige of Egyptian culture throughout four millennia. He was not in the least disturbed by the fact that the pyramids had been built by slave labour, or that the Egyptian culture of the Pharaohs had long been dead even when the Romans arrived in Egypt. All he was interested in was the sensational headline, the Napoleonic phrase: "A thousand years of history look down on you." The fact that there was once a Tower of Babel has never been accepted as proof of the permanence of Babylonian culture, and the existence of the Pyramids did not prevent the decline of Egyptian culture. Similarly, the masses of reinforced concrete lavished on the Nuremberg National Socialist Party arena will not immortalise a National Socialist culture. No, the time, money, labour and material sunk into such things—a vast quantity—were all shamefully wasted.

Hitler's reckless waste of the productive forces of the nation rapidly led to the exhaustion of all available reserves, with the result that there were endless campaigns for the collection of waste and scrap throughout the war. Germany's private homes were swept bare of all 'surplus articles'—and very often of necessities as well. Paper, metals, textiles, furs and so on were extracted under more or less gentle pressure by the local Nazi Party organizations under the watchful eyes of the local Nazi House Wardens. Stocks in the hands of traders and industrialists were jealously watched and soon exhausted. By the end of the war all reserves of raw materials and commodities had been exhausted in factories, warehouses and private households. When the enemy arrived, beyond dismantling our industrial equipment, there was little left for him to take.

And what did the owners of all these goods receive in exchange for their property? A piece of government script sometimes called a bank-note and sometimes called a promissory note drawn on a future State, which in the end never materialised, and which even if it had materialised after a German victory would not have been in a position to liquidate such a vast accumulation of debt. There are no figures available concerning Germany's public debt, and it is questionable whether it will ever be possible to obtain them. A vast pile of eighty milliard Reich's marks, and 600 milliard marks worth of Reich's promissory notes, probably represent more or less the extent of Germany's economic ruin. How this burden is to be reduced and distributed is one of the problems facing the occupation powers.

What has leaked out so far concerning proposals for a solution is not calculated to make us very optimistic. There

is a real danger that once again a horde of theoreticians may be given free rein for currency experiments. We can still remember the professorial schemes for putting the currencies of the world on their feet which were tried out after the first world war. None of them was able to prevent the keystones of the international gold standard, the pound sterling and the dollar, from falling out of their places. The decisive thing is not the particular technique adopted to stabilise currency and amortise indebtedness, but its social, political and economic effects. Mere title to possession is not the only thing to be considered when payments have to be made, and regulations must not be formalistic. The really important question is how the German people can once again be given an opportunity to earn their living, to remain alive. This time we have lost not only our possessions, but also our honour. Let us at least retain our courage and with it win back the other two.

Chapter Thirteen

THE GERMAN PROBLEM

THE foreign policy of modern governments aims primarily at furthering and defending the material interests of their countries abroad. It was not always so. There have been times when foreign policy had great and idealistic aims. Let me recall the spread of the Islamic world; the call of the Crusades: "God's will be done"; the whole far-sighted policy of the Papacy. This paramountcy of the ideal over the material was possible, of course, only as long as the satisfaction of material requirements was not one of the burning questions of the day. The standards of living enjoyed by the broad masses of the people before the beginning of the technical age did not change greatly for whole centuries at a time. Here and there we can see certain narrow upper strata enjoying luxury standards, but the life of the broad masses of the people remained on the same unchanging peasant basis in all countries. There was thus no very great variation in living conditions either spatially or socially.

The situation became very different when science began its victorious advance at the beginning of the nineteenth century. Under its influence both wealth and requirements changed very rapidly. Standards of living began to differ greatly, not only as between class and class, but as between nation and nation. The industrially developed peoples soon enjoyed much higher standards of living. With this an intensive political struggle began between the

nations for the best technique, for the most favourable markets, for the greatest degree of comfort, for the control of the means of transport, for the possession of raw materials, for the material basis of education, exploration and research. Material questions thus began to exercise a decisive influence on international politics. Economic problems began to drive intellectual and spiritual considerations into the background.

A few figures will suffice to show the rapid progress of technique and at the same time demonstrate its revolutionary effect on economic development. The two generations which preceded the first world war saw the production of coal and iron multiplied by twenty, and in the same period the railway network increased fifty-fold and steam tonnage two hundred-fold. At the same time international trade extended to a previously unparalleled extent. The products of all zones were transported hither and thither to a degree previously undreamt of. World trade was multiplied by ten in value and by considerably more than that in volume.

Apart from this technical development, world trade owes its growth to the presence of two essential conditions: credit and legal protection.

The traders who went to foreign countries to sell their goods, or who sent their goods there to be sold, required protection against arbitrary violations of their personal freedom or of their property rights. And thus from the earliest times it became the normal legal custom to grant traders governmental protection. Market and trade-route police were employed to protect commerce, and commerce developed only where such protection was available. Remote trading requires the sending of commercial travellers and agents, the opening up of branch offices, the

establishment of agencies, warehouses and factories, the loading and unloading of ships, the sending of samples, the piling up of stores, the conclusion of sales agreements, &c. —all of which require the expenditure of a considerable amount of money, materials, time and labour of various kinds. For all these things legal protection is necessary. Even in the Middle Ages commercial privileges and legal guarantees played a great part, and in our modern age they have developed into a great international system. Innumerable commercial and consular treaties and agreements between civilised States have given world trade that security and that possibility of development which have led it to its high level in the twentieth century.

The second factor, dependent on this question of legal security, without which world trade could never have developed so powerfully, was commercial credit. The delivery of goods and the payment for them do not always coincide in time. The delivery of natural products is dependent on harvesting seasons, the completion of trade goods demands time, and the same is true of transport. These differences in time must be bridged by the granting of credit. However, the international granting of credit demands a measure of values which must be internationally recognized and generally valid. In the course of time gold developed into that measure of value over almost the entire world. It was only with the establishment of the gold standard that modern trading attained its present great international volume. From the middle of the nineteenth century onwards all industrial countries sought to attach themselves to gold currency. On this basis an international commercial credit system developed on a grand scale.

The two generations prior to the first world war lived

through the happiest times in human history. A few short and strictly localised wars caused temporary disturbances, but they did not interfere with the general advance in human well-being. Science brought mankind greatly increased riches and at the same time deepened the basis of civilization. World trade brought about the greatest possible spread of material progress, and it was enjoyed not only by the upper classes but also by the broad masses of the people. The seamy side of this technical development was not revealed until later, when its destructive effects were felt in the two world wars.

Thanks to improved living conditions in particular, the population of the world increased to an unusual extent during those two pre-war generations. The combined population of Great Britain, Germany and the United States grew very considerably in this period before the first world war. The population in a number of industrialised countries reached a level at which it could no longer be fed by the agricultural products of its own soil, and their governments were compelled to purchase foodstuffs to supplement home production from those countries abroad which were not so far advanced industrially but which produced an agricultural surplus. As a result of this, foreign trade developed from a convenience to a necessity. Industrial exports had to be encouraged if the population was to be fed. This led to the fight for markets in which these export goods could be sold. The industrialised countries forced each other into a competitive struggle. Each sought to drive the others from the world market, and the economic policy of foreign trade became a decisive factor in politics.

This was the fateful turning point in Germany's development. True, she did her utmost to increase her

own production of foodstuffs, and, in fact, as far as the intensity of agricultural production was concerned, she was ahead of all other countries before the first world war. But agricultural production is subject to certain natural limitations, and Germany was compelled to bend more and more of her energies to feeding her growing population by developing her export industries, and in consequence her competition on the world market became more and more disagreeable to other industrial countries.

One may cite this, that or the other political factor as being responsible for the outbreak of the first world war, but its deeper cause was the economic struggle which Germany was compelled to wage on the world market to maintain her standards of living or even guarantee her minimum food supply. The German people had grown in numbers beyond the living space which history had assigned to them. Caprivi's words proved right over and over again: "We must export either goods or people."

When other industrial countries found themselves in a similar situation to that of Germany, they could at least turn to their colonial possessions. England fed her population on the agricultural surplus of her world empire; Holland was helped by her Far Eastern possessions; Belgium found support in the rich Congo district; France developed a North African Colonial Empire. Even Portugal could turn to her colonies for assistance. Thus all these countries were saved from the necessity of exporting people. Germany entered the colonial field too late in the day, and the only areas she had been able to secure were largely barren and unfruitful.

Germany's own colonies were not suitable for emigration purposes, and her emigrants therefore had to turn to foreign countries, where German customs and German

culture tended to be swamped, and where the authorities were unwilling to accept German immigrants in large numbers or in exclusive settlements. Whereas in earlier years all European emigrants were welcome overseas, the new nationalist policy caused foreign countries to raise barriers not only against the import of goods but also against immigration, until finally absolute limits were set. Thus, even the emigration solution was barred for Germany, and all that remained was the export of commodities.

This caused an exacerbation of the international economic struggle, which began to veer more and more towards a violent solution in war. The best proof of this can be seen in the attitude of the victorious powers after their victory in the first world war. The political conditions dictated at Versailles, the limitation of Germany's sovereignty and her territorial losses, would no doubt have ceased to rankle in time if it had proved possible to safeguard her economic future. But it was precisely this hope which was completely destroyed by the Versailles terms. Whilst Germany's economic difficulties had been of natural origin up till then, they were now artificially aggravated and perpetuated. The Versailles Treaty was larded with a great number of politico-economic impositions, all of which aimed at permanently hindering Germany's economic development. The principle of equality in international trade and the most favoured nation arrangement, which had been the palladium of the victorious nations up till then, were both abandoned with regard to Germany. One-sided financial and economic burdens were imposed on Germany which caused a reduction in the volume of her exports, which she was already finding it very difficult to maintain, and a limita-

tion of her import potential. The sum total of German private property abroad, which was essential for her export organization, was confiscated. Agencies, warehouses, depots, buildings, land, ships, and everything else necessary for the maintenance of her foreign trade was lost to her. In addition, all her colonial possessions were seized. Thus the last chance of making up at least in part for the loss in foreign trade by developing her colonies, was taken away from her.

The democratic post-war German governments of the twenties proved helpless in face of this situation. As they could see no way of saving Germany through her own resources, they snatched at the straw of foreign credits, which were readily offered to them by private capital abroad. These foreign credits were used to pay for the imports of foodstuffs Germany required. But that could never be a permanent solution of the problem. And what was worse, no arrangements were made to pay back these foreign credits when they fell due. Germany's democratic Governments deceived themselves as well as their foreign creditors. Credit is never anything more than a postponement of the problem; it is never the final solution itself. So long as this system of borrowing functioned, world trade revived once again and helped to blind Germany's foreign creditors to the danger. Thanks to these credits world trade reached its highest peak in 1929 at a total of 284 milliard marks, or about fourteen milliard pounds. It was unable to maintain itself at this level and it never reached it again. When the credit edifice collapsed and the truth about the economic situation was revealed, the figures for world trade sank rapidly. In four years the total declined to about one third of its peak volume. The crisis began in the autumn of 1929. It reached its clearly

visible culmination point in the financial collapse of Germany and Austria. The moral crisis of the Versailles Treaty had been followed by the material crisis. These two crises dealt world trade a decisive blow.

One of the essential basic conditions of world trade, legal security, was put out of operation at Versailles. The confiscation of German private property abroad and the practice of discrimination against Germany in international trade, necessarily undermined confidence throughout the world in the security of trading and property rights. Obviously, it was possible that what had happened to Germany might happen in the future to any other country. Without legal security there can be no extension of world trade.

What followed the financial collapse put the second basic condition of world trade out of action also. Without previous warning and without consideration for current agreements, the gold standard of a number of the most important currencies, the English pound and the American dollar, had their gold value reduced by unilateral government action. Whoever had claims for pounds or dollars in respect of goods delivered or credits granted now received only a fraction of his claims as calculated on the old gold standard. Up till then the world had been under the impression that gold currency was an internationally reliable institution, but now it realized that it had been grossly deceived. Gold currency derived its value merely from co-existing national legislation, and not conjoint international agreement. Once again the confidence of those interested in world trade had been shaken. What had happened once could happen again at any time.

These arbitrary acts made a great breach in the edifice of world trade, but the damage done by the natural results

of two world wars cannot yet be calculated in its entirety. Far more than a hundred million European purchasers, who had previously enjoyed a relatively high standard of living, have seen their purchasing power on the world market greatly reduced as a result of the destruction and the political consequences of two world wars. They will not be able to restore this purchasing power in the foreseeable future. That is true, not only of the victorious powers, Great Britain and France, but also of the smaller neutral powers, and it is true above all of seventy million Germans. One must not overlook the fact that the disappearance of the German market must have very far-reaching effects on the economic systems of Holland, Belgium, Denmark and Sweden, and in particular of the Balkan countries; in consequence, the purchasing power of these peoples will not be as great as it was before.

On the other hand, there has been an increase in the potential industrial production of a number of countries which were little affected by the war, and in particular the South American countries. As their markets were necessarily neglected by the industries of the belligerent countries during the war, they once again strengthened and developed their own industries to meet their needs. In consequence it will now be difficult for the older industrial countries to recover these former markets. These countries once contributed considerably to the rise of the old industrial countries. The economic opening up of colonial and still virgin areas in America, Asia and Africa by the technical methods at Europe's disposal offered wide scope for her economic activity. A stream of production material—railways, mining and agricultural machinery, harbour equipment, and so on—poured into these underdeveloped countries and greatly contributed to their agri-

cultural development and the production of raw materials, and to rendering their products available to the old industrial countries.

Naturally, the younger countries could not pay for these capital goods straight away in cash; the development of their own production needed time. Europe thus came forward with long term credits. Loan after loan was sunk into these young countries, bore interest and was paid back in annual instalments. The industrial countries financed their sales with their own finance capital.

The two world wars interfered violently with this process. Most of the young countries prudently kept themselves out of the toils of war, and where they did take part they bore no real share of the actual fighting. In this way they saved their capital and their manpower whilst selling their foodstuffs and their raw materials at high prices to the real belligerent countries; at the same time they developed their own industries. In the end they also shared in the booty of the victorious countries—all in all, a continuous series of blows against the future world trade of the old industrial countries. The natural industrial growth and development of the new countries created a tendency to slow down the growth of world trade; but it is the two world wars which have contributed more than anything to the setback suffered by the old industrial countries on the world markets. For one thing, consider that the first world war was sufficient to transform the United States from a great debtor country into a creditor country, whilst the second world war has made her into the leading financial power in the world, a power on which Europe is dependent to-day.

After the first world war I did my best to learn from experience. At the Young Conference in Paris in the

summer of 1929 I pointed out again and again that there was only one solution to the German problem, and that was to provide the economies of the younger and colonial countries with long-term credits in order to make it possible for them to buy European capital goods with which they could then develop their own natural resources. For this purpose I proposed the establishment of an international bank whose task would be to organize such credits on an international scale. I pointed to the close connection between foreign loans and the development of world trade. All that was necessary to confirm this parallelism was to take a glance at the activity of the London Stock Exchange. With the decline of this activity world trade had also declined.

The chairman of the conference, Owen Young, was completely in agreement with me on the matter, but we were unable to prevent this international bank for the encouragement of world trade from degenerating into a financial reparations office.

To-day we find ourselves in exactly the same position as we were after the first world war, except that everything has been made much worse by the crime of the second world war. The sole responsibility for this crime rests on Hitler, and through him on the Germans. But the question of guilt is quite irrevelant for the solution of the economic problem. At best, only theoretical demands can be put forward, such as that the Germans shall not enjoy a higher standard of life than any of the European peoples with a low standard of life. It can be demanded that the Germans shall be reduced to a ration of 1,500 calories instead of 3,000 calories, as a punishment for embracing the Nazi ideology. But will that bring about any political or economic improvement? Inevitably the analagous ques-

tion will arise as to why Mr. Rockefeller is entitled to a higher standard of living than Mr. Smith, seeing that Mr. Smith is certainly quite as moral in his life and habits as Mr. Rockefeller. But can the problem be solved by such moralising? On the contrary, the less anyone can or is allowed to consume, the less purchasing power there will be on the world market.

If the world economic system is to be revived then we must not attempt to set up any system of moral rationing. Versailles was wrecked by the introduction of moral considerations into economic policy. This did not solve the German problem; on the contrary, it prevented a solution from being found. If we were unable to learn from the experience of Versailles, then it is to be hoped that the situation after the second world war will at last teach us. The facts of the situation not only burden the German people; indirectly they also burden the victorious powers who have taken the responsibility of Germany's fate on their shoulders.

The unleashing of the second world war by Hitler was not only a monstrous crime; it was also a monstrous act of folly. Hitler believed he could solve the German problem by political violence. But economic problems demand economic solutions. If the German people had not been suffering terrible economic distress, Hitler would never have succeeded in dragging them into war. Because Versailles barred the way to an economic solution, the German people let themselves be dazzled by Hitler's political aspirations. But democratic phrases and even democratic 'education' are not sufficient to solve the problem either. Hungry, cold and homeless people are completely unreceptive to any sort of political theory. Only satisfied people are democrats. A pacific policy does not

always create a flourishing economy, but economic prosperity is the best guarantee of peace.

The territory of the German Reich has once again been greatly reduced, and once again, as in 1918, particularly rich and valuable agricultural areas have been taken from it; that means a new and considerable cut in the already insufficient food supply to what is left of Germany's population. At the same time Germany's population figures have not been reduced. Losses by war-time casualties have been far more than balanced by the arrival of millions of German fugitives from the eastern territories. When all German prisoners of war are finally released and return home, the population of Germany will be around seventy million souls—a figure which does not, of course, include Austria. Thus a greater number of people are being concentrated within a still smaller area. The destruction of residential, commercial and industrial premises as a result of the war can be repaired, and the disorganisation caused by the influx of displaced persons can be overcome in course of time, but the problem of over-population will remain a permanent source of trouble.

Even before 1914 it was impossible to feed Germany's population from the yield of her own soil, and to-day the situation in that respect is still more unfavourable. The breaking up of the big estates will not lead to an increase in harvest yields but to a diminution. The small scale holdings will not be able to provide the industrial towns with their food requirements anything like as efficiently as did the bigger farms. Distribution from many smaller units is more expensive, takes up more time and requires more labour power, and, in addition, it increases the danger of wastage by deterioration. Further, the portion of production retained by a small scale unit for its own

consumption is greater than in the case of a larger unit. The improvement of agricultural technique is more difficult for the small farm than it is for the large. Moreover, agricultural technique in Germany was already so highly developed that any considerable increase of production is hardly to be expected. The reclaiming of new land for tillage is possible only on a very small scale, so small in fact as to be practically negligeable when the problem is reviewed as a whole. Thus the problem remains exactly where it was: somehow or other Germany's foodstuffs must be provided by imports from abroad.

Up to 1914 Germany had to import twenty per cent of her foodstuff requirements. If this could not be paid for by corresponding industrial export surpluses, then the people would have gone hungry. To-day, with a smaller area for growing agricultural produce at home, and with an increased population density, something like forty per cent of Germany's foodstuff requirements will have to be imported to meet the deficit, however drastically we tighten our belts. Now, it is quite conceivable that Germany's industrial capacity, which has been greatly reduced by dismantling in the first flush of post-war enthusiasm, can be restored to such an extent that it will be able to provide the exports to pay for this forty per cent of her food requirements.

But a much more difficult question is where Germany is to find the markets in which she can sell such a great quantity of export goods. Even before the second world war we were constantly harassed by the difficulty of finding markets for a very much lower volume of exports. Foreign markets closed their doors to us. Is it likely to be very different in the future? Is it not much more likely that competing industrial countries, seeking to improve

their financial position, weakened as they have been by the war, will all be striving to extend their own export trade? Are they likely to let German industry, with its lower wages and lower prices, invade foreign markets? The prospects are not very hopeful and the expert can only smile at the Three-or-more Year Plans which are to restore Germany's balance of payments.

The problem remains. This time its solution lies not in Germany's hands but in the hands of the victors. It is not only socially and morally urgent. The world cannot let millions of people starve—for one thing, social damage has a tendency to spread beyond national frontiers. The problem is also urgent financially. To-day Germany is living on alms provided by the victorious powers. She is an item in the State Budgets of foreign powers. The taxpayers in the victorious countries will hardly feel inclined to let this state of affairs become permanent. They will demand that their governments find a solution for the German problem which will allow Germany to stand on her own feet. At the same time very inaccurate ideas are current concerning the magnitude of the financial burden. The longer the burden has to be carried the heavier it will become. If nothing is done to lighten it within a reasonable space of time, there is always a possibility of great changes in the sphere of both domestic and foreign policy to be reckoned with.

But even if the occupying powers prove willing to contribute towards the upkeep of the German people for a long time to come, the German people themselves would not be satisfied with such a solution. It is morally depressing and politically corrupting to live for long on the charity of others. It promotes neither social solidarity nor political character, and it provokes unrest and excitement.

Thus some economic solution must be found which will enable the German people to work for their own living as a nation. Neither military victories nor territorial conquests can provide such a solution. But if we can find it, then the general situation on the European continent will gradually and quite automatically lose its present tension. Political systems will liberalise themselves quite irrespective of what labels they may adopt. Community ethics will once again be honoured.

If that solution is not found then no amount of talk about the universal validity of Democracy will prevent the spread of various unfree, despotic and coercive forms of mass control over the whole of Europe. It is an illusion to think that one can expect a hungry proletarian to lead an ethical life.

What must be the nature of this economic solution? It must give work, for unemployment means living resentfully on alms, means dissatisfaction, corruption and spiritual depression. It must provide food, for those who work must be fed and kept. At the same time it must not take bread and work away from other peoples. Competition on the world markets against other industrial countries must be avoided. Therefore the solution must be found in joint co-operation between all industrial countries, including Germany. Germany cannot be left to find the solution on her own, and once it is found it must be applied under the joint control of all industrial countries, so that whatever difficulties may arise can be surmounted jointly.

When will the time be ripe to discuss such a solution? When we have found the statesmen who not only recognize the problem itself but are prepared to strive for its solution both with humanity and determination. This solution

cannot be achieved by stringing together palliative measures; it will have to be planned as a whole on a broad scale, and carried out with the greatest courage and the closest possible co-operation. There is such a solution.

Chapter Fourteen

RE-INSPIRATION

AT the moment Germany is a living corpse. She lives, or rather vegetates, on alms. What work she may do, what she may think, what opinions she may express —all these points are decided for her by someone else. She is not allowed to have her own views or carry out her own plans. Germany lives irresponsibly because all responsibility has been taken away from her. And yet it has already become perfectly clear that Europe cannot prosper without the economic recovery of Germany. Does Europe think it can get on without her spiritual recovery?

During the long months I spent in prison waiting to come before the De-Nazification Court, I noticed that most of my fellow prisoners were oppressed in particular by one thing, the fact of their having been so terribly betrayed by Hitler. The best of them had gone out with faith and enthusiasm to realize the ideals which Hitler had paraded before their eyes: comradeship, helpfulness, loyalty, trustfulness, a sense of personal responsibility, noble-mindedness, honesty and the recognition of achievement. All this was based on lies and deception. And now, according to this disgraceful Liberation Law, they were to be severely and indiscriminately punished for having pursued those ideals as Hitler's followers! Only those who, like myself, have seen wife and children cut off from all assistance, wandering around cold and hungry, sick and lonely, can realize what spiritual damage such senseless

imprisonment can do. There was not a single surviving German who was not shocked by the acts of violence revealed in the Nuremberg proceedings, who did not shudder in horror at a war which had broken down all decent inhibitions. But now, after that war was over, those who were interned were treated no better, and that as a result of cold calculation which had lasted for years. The consequence was that even those who were ready for a change became hardened and obstinate.

The indictment in the first great trial of war criminals before the International Military Court in Nuremberg sought to condemn the whole German people as morally responsible for the Hitler regime. The proceedings before the court—and once again one can only be thankful for the objective manner in which they were conducted—revealed the surprising fact that not only did the great mass of the German people know nothing about the atrocities which were revealed at the trial, but that even wide circles of the government, the administration, the army and the Nazi Party itself knew nothing about them. The acquittal of the members of the Reich's Cabinet, of the Supreme Army Command, of the General Staff and even of the S.A., from the charge of having taken part in the planning of the war and its crimes, expressly refuted the attempt to burden the German people with collective guilt.

It is typical of the complete aimlessness and lack of self-control on the part of the disastrous pre-Hitler politicians and their uncritical followers, that they protested against the Nuremberg acquittals instead of seizing on them to rebut the charge of collective German guilt. Any repetition of the Versailles attempt to stamp all Germans as morally inferior could not have been more strikingly

refuted than by the verdict of the Nuremberg Court. But the shortsightedness and hatred of party politicians once again missed a valuable opportunity.

It is a fact which cannot be circumvented that none of those large numbers of the German people who did their duty as officials or soldiers in ignorance of the criminal intentions of the National Socialist leaders can feel themselves guilty—excluding always the small inner circle of real criminals. These people shared the general feeling of horror when they subsequently learned of the atrocities of their political and military leaders, but as they had been kept in ignorance of them, they could not feel any personal responsibility or a sense of personal guilt. Certainly they recognized and accepted the fact that they would have to suffer for the sins of their leadership. *Quidquid delirant reges, plectuntur Achivi.*

The German people were never in favour of war. When Hitler ordered the Berlin garrison to parade through the streets of the capital at the time of the Czech crisis in September, 1938, in the fond belief that it would move the masses of the people to enthusiasm, he was disappointed to find that nothing of the sort occurred, and that instead of being enthusiastic the people showed clearly that they were worried and anxious. Hitler was able to whip up support for his war against Poland only by the grossest trickery. He had to pretend that the Poles had attacked Germany. Although the war against Poland was launched in violation of the Constitution, and without any previous Cabinet meeting or Reichstag's debate, once it had started every German had to fulfil his military obligations. The longer the war lasted, and the more arduous it became, the more understandable it was that Germans no longer discussed the causes of the war, since their

minds were entirely occupied by the problem of how to stand their own ground.

Anti-semiticism was as foreign to the German people as war-mongering. The mass of the German people kept themselves disgustedly aloof from the anti-semitic excesses of the Nazi Party. The pogroms were carried out by special Nazi groups acting under orders and were then presented by a lying progaganda as spontaneous manifestations of the popular will.

The persecution of the Church had no support in any section of the population; in fact, one can say that the laity rallied more firmly to the Church in the Hitler period than ever before. The Churches were the only organisations in Germany which could count on a reliable following whenever their leaders took up the struggle against oppression.

The arbitrary arrests carried out by the Gestapo, and its general perversion of the ends of justice, were the terror of the whole population. It is impossible to maintain that the Gestapo system represented or reflected the wishes of the population. It was, in fact, the real terrorist instrument which prevented the German people from expressing their will.

The charge that can be brought against the German people is not that they approved of Nazi violence—they did nothing of the kind—but that they did not summon up sufficient strength to oppose it openly. But where does the fault for that lie? First of all with the governments which held Germany's fate in their hands before Hitler came. They succeeded in solving none of the problems by which they were faced, neither the economic problems, nor the social problems, nor the problem of the political class struggle. Mass unemployment and foreign political

humiliation were the fruits of pre-Hitler governments. It was only when the distress of the German people approached its uttermost limits that Hitler experienced the astonishing electoral successes which increased the number of seats held by his party in the Reichstag from twelve to one hundred and seven in September, 1930, and from one hundred and seven to two hundred and thirty in July, 1932.

The bankruptcy of the former statesmen and politicians after Hitler's appointment as Reich's Chancellor was even more complete. It was not the German electors who failed; it was their former representatives. It was not the masses of the people; it was their leaders, who voluntarily surrendered all political control. Such political irresponsibility necessarily paralysed all those who had not fallen victim to the Nazi storm and drove the waverers all the more surely into Hitler's camp. Most of the people who voted for Hitler did so, not because they were enthusiastic about his ideology, but because they hoped that he would be able to save the German people from their terrible sufferings. No one who voted for Hitler had any intention, by doing so, of surrending his future political freedom to vote as he wished. That political freedom was finally lost to him because his former political leaders surrendered it.

It was not very encouraging to find these same political failures suddenly reappearing in leading positions, thanks to the good graces of the occupation authorities, after the collapse in 1945. Perhaps these failures would have been able to win back the confidence of the German voters if now at least they had been able to put forward some practical programme for the future. Certainly, the German people realize quite clearly that the so-called *Laender* governments are limited in their freedom of action by

political conditions, but at the same time it is not likely that the occupation authorities would always turn down constructive proposals. On the contrary, these authorities complain that no such constructive ideas are being put forward from the German side.

In the first period of its rule National Socialism met with big political, economic and social successes, and that naturally strengthened the confidence of the masses in Hitler. The misdeeds and illegalities of which one heard occasionally were taken to be the inevitable accompaniments of a revolutionary upheaval and people hoped that in time they would cease. The German people did not share the responsibility for the fact that from 1936 onward Hitler's policy became progressively less moderate and more extremist. All political control on the part of the Reichstag had been surrendered by Germany's former political leaders. The Nazi government alone now decided just how much the people were to be told and what was to be concealed from them. The German people no longer knew what was going on.

The International Military Court in Nuremberg was quite right to reject an attempt on the part of the accused to befog the issue by declaring that the other side had also violated the Geneva Convention and been guilty of forced labour, the displacement of populations, maltreatment and plundering. The crimes of others are no justification for one's own crimes. But at the same time it should occasion no surprise that such experiences were not calculated to increase the contrition of the Germans.

The moral conditions prevailing in the post-war era do not strike one as being so very much better than those which prevailed under Hitler. At no time was corruption under Hitler so widespread as it is to-day. Whoever reads

the newspapers—which publish only a part of the truth—is astonished by the rapidity with which one scandalous affair follows quickly on the heels of another. Those who have been entrusted with the application of the Liberation Law have had to be told by the U.S. Commander that the law was not intended as an instrument to strip well-to-do people of their possessions. The number of morally compromised persons who have functioned under this law as prosecutors or judges in De-Nazification Courts is enormous. During the war, under Hitler, we learnt what Kinship Arrest meant, but to-day wives and children are made to suffer even more than under Hitler for the political errors of their breadwinners. They have been deprived of the means of existence and plunged into misery, often before their breadwinner was convicted and when he was still merely nnder suspicion. The numerous persons caught up in the toils of the Liberation Law observe with contempt that the De-Nazification Courts and the Liberation Ministries are run by the same people whose political incompetence facilitated Hitler's rise to power, people who now presume to judge the victims of that very incompetence.

Nor is the economic situation to-day calculated to encourage feelings of remorse. Unemployment, hunger and privation drove the masses into the arms of Hitler. Unemployment, hunger and privation are no less now than they were then. In such circumstances the masses of the people find it difficult to appreciate ethical considerations.

During the past three years this whole state of affairs has produced a reaction which gives cause for misgiving. The vicious effects of the Liberation Law are particularly deleterious in their encouragement of hypocrisy. It forces

men to pretend that they never had anything to do with National Socialism; that they were always opponents of National Socialism, and even that they actively resisted it. This goes against the grain for any man of honour who finds himself in such a dilemma. Involuntarily he compares present-day methods with those of the Gestapo, of which he never approved, and he finds that what happened to many who had fallen into Hitler's bad books is happening again now to just as many, and more at the hands of the official representatives of democracy. That causes embitterment.

Immediately after the military collapse the feeling spread through the whole population: we have been shamefully betrayed by Hitler. The great mass of the people were in a receptive mood and willing to entrust themselves to a new political creed. To-day they are beginning to ask themselves whether after all everything was so very reprehensible under Hitler, and whether what they hear so praised to-day is really so much better than the past. Not only do they remember that the Hitler period saved them from unemployment and want, but they also recall the successful socio-political measures which were introduced in the first years of Hitler's rule. They were not dependent on alms then as they are to-day, but were able to earn their own living. The welfare system was not so frequently dependent on charity as it is to-day, and it embraced all strata of the population. The workers were brought in to co-operate both in the working of the factory and in the organisation of their leisure hours. Sports and games were never so much encouraged in working class circles as they were then. Artistic performances and other cultural facilities were available to the masses on the widest scale. The tension between the classes was gradually dis-

appearing. The German people as a whole were inspired with a spirit of comradeship and solidarity.

What is left of all that to-day? One cannot say that all this has been criminally dissipated and can never return. No one can really want such Nihilism. The war was a crime which finally sealed the verdict against Hitler. But there is no need on that account for all the good achievements which sprang from the National Socialist movement in the first burst of enthusiasm to be written off for good. There were three possible solid cores of resistance to the degeneracy into which Hitler finally led National Socialism's original aspirations: the trade unions, the armed forces and the Church.

The trade unions were eliminated not only because their leaders proved a failure, but even more so because the great ethical ideas of human equality which had once inspired them had been forgotten in the great tide of material success they had achieved. Their aim was no longer to secure the recognition of the worker as a human being, but to obtain higher wages, shorter hours and other material advantages.

The armed forces were, it is true, still inspired by the ethical ideals of love of country, but this patriotism was always in danger of forgetting its justification and losing itself in nationalistic aspirations.

The Church was the strongest of the three, thanks to the religious content of its teaching. If the trade unions and the armed forces gave way before the violence of Hitler, as they did, then at least the Church should not have failed. It was precisely against the moral degeneration of the Hitler regime that it should have formed the strongest bulwark of all. After the collapse the Church itself was the first to admit remorsefully that despite

individual exceptions it did not on the whole provide such a bulwark. That is one of the reasons why the masses are to-day seeking consolation from the Church to a greater extent than before. While the Generals are still trying to justify their irresponsible and uncritical obedience to Hitler, while the old working class leaders are actually attempting to reoccupy their old positions under the protection of the occupying powers, as though they had never failed so signally, people realize with gratitude that the greatest truth is to be found in the Church.

The masses expect nothing further from the professional soldiers. The trade unions will have to find a new inspiration before they can again become a power which can aid us. But the Church still remains a hope. It will not fulfil this hope if it gives the world the impression that everything it believed, hoped and did in the era of National Socialism was sinful and shameful. The instinctive feelings of the broad masses for truth and honour resist the idea. Even when a feeling of duty is based on a misunderstanding of happenings and motives, the fulfilment of duty cannot be regarded as something in itself reprehensible. The self-sacrifice, comradeship, solidarity, loyalty and readiness to help which the masses showed, cannot now be pitched on to the midden simply because they arose under the banner of National Socialism. That would involve the whole of our people in spiritual bankruptcy.

Relying on the promises of the victorious powers, the German people hoped that it would be made possible for them to preserve at least their national unity, to reconstruct their economy and establish democratic self-government on what was left of the former territory of the Reich. Nothing of this has come about in the first three

post-war years, nor is there any sign of it; in fact in some respects it is all farther off than ever.

Germany's national unity has been destroyed—it almost looks as though it has been irreparably destroyed. The Reich has been carved up into occupation zones, and both passenger and goods traffic between them are permanently hampered. Each occupying power governs as it pleases. The Control Commission in Berlin, which was to have functioned as a unifying instrument, has been condemned to impotence by the disputes amongst its members. The individual zones have been divided arbitrarily into *Laender* whose lines of demarcation seem to take no heed of either economic necessities or racial conditions. Long historical development is being ignored in favour of a foreign political theory.

A great official organisation is being built up in each of these *Laender* such as a prosperous centralised State might be able to afford, but the costs of which the atomised *Laender* will not be able to meet in the long run, particularly in such a period of want and privation as Germany is going through at present. This will lead with absolute certainty to a new economic collapse. The greatest possible economy in public administration is most urgently necessary in the situation which exists in Germany to-day. As much work as possible should be performed in an honorary capacity and by voluntary co-operation. Instead of that, the bureaucratic administration is being grossly inflated and is manned by men who are totally unsuited for their jobs. The inevitable results are corruption, partisanship, arbitrariness, incompetence, muddle, and a wasting of Germany's substance.

There is no longer any uniform system of jurisprudence, and the Supreme Court in every *Land* does as it pleases.

Politics clog the proper administration of the law just as they did under Hitler. This can be seen most clearly from the way the Liberation Law is applied in the various zones. Both procedure and interpretation vary widely and they are different in each zone.

The development of democratic self-government has been no more successful up to the present. There can, in fact, be no question of democratic self-government so long as everything which is written, said and done in German public life depends on the instructions or on the approval of an occupying power. The so-called governments of the German *Laender* are mere subordinate bodies for the carrying out of orders. They were not formed as the result of free German elections; they were put into office either directly or indirectly by the occupying powers. It is quite clear that upright men with a feeling of responsibility do not press forward to accept office in them. It is an essential feature of such a system that its official positions are occupied almost exclusively by yes-men, incompetents and irresponsible elements, although a time like the present demands the services of the best and most capable men the country can muster. The reservoir from which the occupying powers recruit their officials consists of those men whose incompetence caused the failure of the Weimar policy and whose spinelessness made it possible for Hitler to advance to political power with no other weapon than propaganda. All the enthusiastic, vigorous and responsible elements who hoped to carry the wave of National Socialist vigour forward to attain the honest ends of social justice, are thrust to one side as reprehensible and dangerous merely because they fell victim to Hitler's terrible fraud. Young Germans between the ages of eighteen and forty, eager to work and willing to

make sacrifices, are to-day standing aside from public activity in a state of resignation and depression which offers a basis for the germination of who knows what poisonous growths.

How ignorant the occupation authorities are in face of the new situation can be seen in particular by the way in which the new parties have arisen. They did not form themselves; they were artificially formed in exact accordance with the model of the Weimar Republic which proved so disastrous. They were resurrected like corpses dug up from a cemetery. Their hackneyed paper programmes of Liberty, Democracy, Socialism, Communism, Liberalism, &c., are capable of any interpretation according to the will of their readers. Parties should develop out of real problems and not out of phrases and slogans. However, the tasks of the day have not been left to the Germans. The Germans have proved incapable of ruling themselves, it seems, and thus the occupation powers have had to rule them and take over their duties. A people who had set the tone for occidental culture for a thousand years were suddenly denied the political and moral capacity to rule themselves. Instead of examining the objective reasons which had brought about Germany's fate it was much easier for the Allies to fabricate a collective guilt while conveniently forgetting their own faults.

After the catastrophe a horde of Lenten preachers descended on us. In books, pamphlets and newspapers they indulged in long moral disquisitions telling us how it came about that the German people gradually lost the high spiritual values of Goethe's and Humboldt's humanity, and fell victims to the daemonic spirit of the technical age. This evil spirit should have been identified quite early on in the course of the National Socialist move-

ment, well before 1933, and there should have been no surrender to it. The authors of all these moral sermons do not tell us whether they already thought that way in 1933 or earlier, but if they did, then the question naturally arises, what did these inspired creatures actually do to fight against the development of Hitler's brutal tyranny?

I do not like reproaching others, but the fact is that in 1933, or even later, I met none of these authors, professors and parsons who now come forward after the event as moral critics. The Church prayed for the beloved Fuehrer and the professors listened, perhaps with secret resentment, I cannot tell, but outwardly at least without contradiction, to the sparkling tirades of Goebbels, to the empty slogans of a press controller like Dietrich, and even to the pseudo-philosophical balderdash of a Rosenberg. All these preachers either adapted themselves to the way the wind was blowing or kept silent. I never heard that even one of them ever left a National Socialist meeting or session with the muttered excuse that he felt ill, which was surely the least he could have done. Nor did a single one of these great moral and spiritual lights ever come to me to discuss how best to oppose the evil spirit of the regime. And yet I was known everywhere as its opponent. Neurath, Krosigk and Guertner were also men to whom they could have gone on the same errand. But almost all those who write anti-Fascist books to-day were silent then. They showed nothing whatever of the spirit of Giordano Bruno or Martin Luther so long as there was a danger that to show open hostility towards the regime would involve them in disagreeable consequences. I make no reproaches, but whoever did not summon up sufficient courage to speak then has one more reason to keep silent now. Their moral sermons are of no avail because there are no deeds

and no examples behind them. Glory and honour to those exceptions who did not shrink from persecution or the concentration camp.

What is true of the scientists and the clergy is true also of the business men. They let themselves be abused at a public meeting by Goering and informed that they had an outlook the size of a lavatory seat, and not one of them rose to protest. The exceptions, men like Poensgen and Flick, who had sufficient courage to oppose the lunacy exemplified in the Hermann Goering Works, were left in the lurch by their colleagues. And yet how much could have been achieved even by mere passive resistance!

As a whole the German people strayed no farther from the moral basis of humanitarianism than other peoples did. The man who enjoys well-being and good fortune may find it easy to turn up his nose at the bad behaviour of those unfortunates who are struggling in the toils. But one cannot with impunity eject a whole people from the moral comity of nations as the Versailles Treaty did with the German people. One cannot with impunity deprive a highly developed people of its means of existence as was done at Versailles and by the policy which followed. Whoever sows injustice will reap violence. After the victories of the 'humanitarian' peoples, did we not see the same inhuman spirit at work again, until the Hoover and the Marshall plans announced the dawn of a humanitarian and reasonable policy?

It is in the nature of things that the occupation powers have not been, and never can be, just in their treatment of the German problem. Suppose, for instance, that the Swedes were suddenly called upon as a victorious power to rule over France. They would succeed only if they gave the French freedom to solve their own problems, and con-

fined their own activities to giving them what support they needed when their own resources proved inadequate for the tasks in hand. So long as Germany's abilities are not liberated from all tutelage in excess of what is required to guarantee peace, there can be no question of any German democratic self-administration. What is called democracy in Germany to-day is nothing but the empty trappings of the occupying powers.

The disappointment at the absence of national unity and self-government would perhaps weigh less heavily on the German people if they could at least see their way clear to recovery in the economic field. But here, too, there is not the faintest sign of hope. Instead of a constructive scheme whereby Germany might earn her living in the future by her own efforts, we observe that her most important key industries are being dismantled, the very industries she must retain if her export trade is to open up again, and that constant reparations are being deducted from what little production is left to her.

At the present time the German people are a prey to silent and growing despair. They are suffering from undernourishment and in consequence there is an alarming increase in epidemics and sicknesses, particularly tuberculosis. A preparedness for democratic self-administration is being answered by a law which persecutes hundreds of thousands of people who were politically deceived by Hitler and who are now being punished for the fact by long years of imprisonment, the destruction of their means of livelihood and expulsion from the community. Under the cloak of the occupying powers our present parlour revolutionaries hope to conceal their former incompetence which made Hitlerism possible in the first place. At the same time the German people are beginning to wonder

whether Democracy can offer a cure for their ills and at the same time allow them to retain their self respect.

In their present distress the Germans feel themselves more than ever the people of Bach, Beethoven, Goethe, Meister Ekkehard, Luther, Leibniz, Kant, Paracelsus, Virchow, Helmholtz, Planck, Copernicus, Keppler, Albrecht Dürer, Tillmann Riemenschneider, Gutenberg, Liebig, Diesel, and all their other great sons whose achievements have become part and parcel of occidental culture.

By their geographical situation, by their racial connections with the Anglo-Saxons, the Franks, the Burgundians, the Lombards, the Friesians, the Flemings, and so on, by their thousand years of history and culture, by their standard of living, by their science and their technique, the German people feel themselves an integral part of the Atlantic community of peoples which has grown up in freedom. The individual liberty of the Christian is the ideal which inspired and still inspires them. If the Western Powers continue to permit the German people to be forced out of this cultural family, if they deprive them of their own responsible development, prevent them from living their own lives, humiliate them and wound their honour, then against their will they will become a fruitful ground for Communist propaganda, though Communist collectivism is as un-German as anything could possibly be.

The idea of declaring the German people as a whole to be morally inferior is absurd. No people is bad as a whole. Its leadership can be bad or good, and under Hitler it was criminal. The French people fell under the influence of a Robespierre; the German people fell victim to a Hitler. We should try to understand the reasons which led to this.

It is not our task at the moment to raise the question of guilt. It could not be discussed without incriminating both sides. This book was written as a settlement of account with Hitler and not as an attempt to apportion blame. That could only disturb that feeling of confraternity which joins us to the occidental peoples. My sole desire is to contribute towards peace and reconciliation.

Therefore, in addition to a solution of our economic and political problems there must in the last resort be something else, something that is stirring the very best hearts and brains in Germany to-day. It is an answer to the question, why did it have to be the German people who were plunged into this disaster, why did this terrible fate have to fall on them? All those who believed that they must still do their duty to their people to the best of their ability even after the Hitler regime had become inevitable, all those who sacrificed both blood and treasure without hesitation after the outbreak of war and once their country was in the firing line—although she had been forced into it by a criminal policy—all these are now asking themselves whether their sacrifices were wasted, whether they were after all in vain. That question can be answered only in communion with God, though certainly not with the simple hymn book phrase: "What God does, that is well done." We must feel something of the significance of our sacrifice if we are to be consoled and made confident.

This is not the first time that the German people have suffered such a catastrophe. The thirty years of fratricidal warfare which devasted their country was another such period. Freedom of conscience was at stake then. In that terrible slaughter a man could lose his possessions, his honour, his wife and his children, and his own life as well.

But the Kingdom of God, and the freedom and belief of Christian men, remained. At the end of the slaughter, which now lies three hundred years behind us, Germany was just as broken and devastated as she is to-day. She had seen her population drop to five millions. England, France, Italy, Spain, the Hapsburgs, all victorious powers, each had a larger population than Germany. But at least her most precious possession was saved. By steady pious industry the Protestant peoples rose again to new life, thanks to the strength conferred on them by the freedom of conscience they had won. They took over the spiritual leadership not so much of the Old World as of the New. That was the upshot of Germany's sacrifice. We do not know why God chose the German people in particular to make this sacrifice whose benefits were enjoyed by the whole world, but we know that the sacrifice had a significance.

Great ideas and feelings can make themselves accepted only by sacrifices. The most inspiring example of this is offered by the Christian Church itself. Therefore we may be perfectly sure that this new sacrifice laid upon Germany has its significance too, though only a later period will be able to recognise what it is. Already we seem to see this or that sign. Before the war the world did not understand Germany's dilemma or appreciate her search for a peaceable way in which she could live her own life. Now that the war is over the world realizes that it would lose by the destruction of Germany. With the decline of Rome, Germany became the heart of western culture. Can that culture live on without a heart? Will other peoples now realize at last that the German nation must be given the opportunity to live? Whether this proves so or not, let

us hold fast to our belief in the significance of our sacrifice. And let us patiently wait until this sacrifice shall cast its blessings not only on us but, as before, on all other peoples of the world.

INDEX

Adam, General. 253
Army, German. Attitude to Hitler, 188, 259; strength at outbreak of war, 189–90
Art, under Nazis. 277–8
'Aski' Marks. 59
Austrian Anschluss. 118
Autarky, German. 282
Autobahns. 49, 77

Barth, Karl. 67, 248
Bavarian People's Party. 43, 59
Bearsted, Lord. 129
Beck, Col.-Gen. Ludwig. 121, 123; part in July 20th plot, 151–3, 154, 264–5
Bernstorf, Albrecht von. 158, 257
Best, Captain. 165
Bley, Dr. 245–6
Blomberg, Fd.-Marshal Werner von. 44, 89–91, 111–2, 126
Blum, Léon. 94, 164
Bormann, Martin. 146
Bosch, Robert. 209
Bouhler, Philip. 212
Brauchitsch, Gen. Walter von. Role in 1938 plot, 124, 140–1, 190; in 1941–4 plot, 259–60
Braun, Otto. 11
Brink, Herr. 254
Brockdorf-Rantzau, Gen. Erich von. 119–20, 255
Bruening, Heinrich. 19, 26, 32–3, 36, 42–3, 186, 191

Canaris, Admiral Wilhelm. 139–40, 150, 164
Catholic Church, German. Attitude to Hitler, 66, 247–9
Chamberlain, Houston Stewart. 174
Chamberlain, Neville. 122, 124, 128
China. 139
Church, the German. Early support for Hitler, 66, 247–9; later persecution of, 306; failure to resist Nazis, 311–2
Churchill, Randolph. 232, 233
Churchill, Winston. 166, 217
Civil Service, German. 212–3
Colonies, German. 93–4, 290, 292
Communism. Defeat by Nat. Socialism, 28, 202–4; suppression by Hitler, 63; opposition to Hitler, 247
Concentration Camps. 163
Confessional Church. 71
Control Commission, Allied. 313
Conversion Clearing House. 56, 58

Dachau, concentration camp at. 164–5
Daladier, Edouard. 128
Darmstadt and National Bank. 7, 36
Davies, Joseph. 197
'Dawes Plan.' 17, 25
De-Nazification Laws. 272–3, 309
Dietrich, Otto. 316
Disarmament. 197–8, 205
Dix, Dr. Rudolf. 62
Dodd, William, U.S. Ambassador. 103

Ebert, Fritz. 10–1, 242, 268
Eden, Anthony. 118, 185, 186
Enabling Law of 1933. 45–8, 179

Falkenhausen, Gen. Alexander von. 165
Faulhaber, Cardinal. 249
Feder, Gottfried. 208
Flossenbuerg, concentration camp at. 161–3, 224–5
Four Year Plan, the. 96, 98, 280–1
Frank, Dr. Hans. 203
Freemasonry. 181
Frick, Dr. Wilhelm. 44, 76
Fritsch, Gen. Werner von. 111–2, 126, 253
Funk, Walter. Appointed Min. of Economics, 105; succeeds Schacht at Reichsbank, 135; 140–1, 278

German Labour Bank. 213
German Labour Front. 74, 213
Germany, post-war. Economic future of, 285, 296, 300–2; economic consequences of war, 298; export problems, 299–300; post-war mood

of people, 310–2, 318–9; mistakes of occupying Powers, 314–5, 318
Gessler, Otto. 158
Gestapo, the. Schacht protests to Hitler about, 88; plot on Schacht's life, 103; spies on Schacht, 147; arrests him, 156; spy-service, 220; evidence against Schacht, 224; German people's disapproval of, 306
Gisevius, Hans Bernd. 111, 121, 124, 152, 193, 265–6
Gobineau, Count Joseph de. 174
Goebbels, Dr. Joseph. 88; anti-semitism of, 128; propaganda, 212
Goerdeler, Carl Friedrich. 113; anti-Nazi plotting in London, 114; lack of discretion, 117; role in 1939 plot, 123; in July 20th plot, 151, 152, 154, 160, 261–2; character of, 257
Goering, Hermann. First meets Schacht, 29; takes over foreign exchange control from Schacht, 92, 96; economic blunderings, 98–100; quarrels with Schacht, 103; takes over Min. of Economics, 103–4, 317; dismisses Schacht in 1943, 147; over-optimism about Luftwaffe, 189; fear of Hitler, 216
Goering, Frau. 29
Gold Standard. 293
Grant, Madison. 175
Great Britain. Blindness to Hitler danger, 83, 118, 185; attitude to Ger. colonies, 94; war successes, 144–5; Anglo-Ger. Naval Agreement, 186; occupation policy, 314–5
Gronau, Col. 152–3, 159, 161

Halder, Gen. Franz. 119, 120–2, 124, 141, 158, 164, 253, 260
Halifax, Lord. 118
Hammerstein, Gen. von. 141, 260
Hansen, Col. Georg. 151
Hassell, Ulrich von. 113, 116, 154; character, 257
Henderson, Sir Nevile. 184
Himmler, Heinrich. 119, 195, 257, 264
Hindenburg, President. 37, 44, 268
Hitler, Adolf. His early life, 200; victory at 1932 elections, 25, 27, 39; reasons for victory, 42–3, 202–3; first meets Schacht, 29; political programme in 1931, 29–31; seizure of power, 47–8; confidence of Ger. people in, 60, 206; consolidates power, 63–5, 70, 205; 1934 purge, 65, 70; declares intention to make war, 126; raises 'atonement' fine from Jews, 133–4; dismisses Schacht, 136–7; never appears in public after 1940, 148; relations with Army, 149, 188; his deception of Ger. people, 211–2, 222–3; his ignorance of economics, 55–6, 97, 208; danger of a Hitler legend, 271–2, 310–1

Character. Elation and depression, 83; impatience, 107; lack of constancy, 139; timidity, 205; legend of his 'simple life,' 207; personal tastes, 207; histrionic powers, 208–9, 211; his 'charm,' 210; incapable of reasoning, 214; lack of humour, 214–5; brutality, 216; no intimate friends, 216–7; arrogance, 217–8; 'a genius,' 218–21; discretion, 219; resourcefulness, 220; cultural and scientific interests, 278–9

See also under 'Schacht, Hjalmar. Relations with Hitler.'
Hoeppner, Gen. Erich. 150, 259
Hoover, President. 24, 26–7
Hosbach Protocol. 126, 191
Hugenberg, Alfred. 43, 44, 48, 250–2

India. Schacht's visit to, 138
Inflation. German post-First War, 8, 11–5; Nazi policy tends to, 136
International Bank. 296

Jackson, Mr. Justice. 115–6
Japan. 139, 150
Jeidels, Dr. 194
Jews. Hitler's attitude to, 31; their early support for him, 66–7, 249; the Nuremberg Laws, 75; Schacht's attitude to Jewish question, 75–7, 86–8, 175–6; Jewish pogroms of 1936, 128; 'Atonement' fine, 133; Nazi racial theory, 174–5; mass of Ger. people against Jewish persecutions, 306
Jodl, Gen. Alfred. 109, 148, 168–9, 189

Kapp Putsch, of 1921. 41, 63, 242
Keitel, Fd.-Marshal Wilhelm. 109, 132, 256
Kerrl, Hans. 212
Kesselring, Fd.-Marshal. 189
Kiep, Otto. 157
Kluge, Gen. von. 150, 253
Kreissau circle. 245, 247, 262

Krosigk, Finance Minister. 32, 316
Krueger, Major Horst. 167–8
Krupp von Bohlen, Gustav. 114
Kubuschok, Dr. 59

Lammers, Hans-Heinrich. 143
Langbehn, Karl. 257, 264
Lausanne Agreement, 1932. 24–5
Leadership principle. 70, 173, 177–8
League of Nations. 205
Ley, Robert. 73–4, 213
Liberation Law. 309–10
Lindemann, Gen. 151, 152–4, 159–61
Lloyd George, David. 119
Loans, foreign, to Germany. 18, 23' 33–4, 57, 292
Locarno Treaty. 186
London Stock Exchange. 296
Londonderry, Lord. 118
Lothian, Lord. 119
Luftwaffe. 18.)

Mackenzie King, Rt. Hon. William. 119
Maier, Dr. 48, 50
'Mefo' Bills. 51–5, 77, 108–9, 131–2
Mein Kampf. 31–2, 94, 183
Meissner, Otto. 37, 44–6
Milch, Gen. Erhard. 188–9
Moldenhauer, Finance Minister. 22
Moltke, Hellmuth von. 116, 262
Monarchy, German. Hitler's attitude to, 209–11
Mueller, Dr. Joseph. 165, 257, 260
Mueller, Karl. 28
Munich Agreement. 125, 128, 256
Mussolini, Benito. 125

National People's Party. 43, 48, 251
National Socialism. Reasons for early success, 28, 42–3, 202–3; people's confidence in after 1933, 60, 247–8; ideology, 172ff., 270–1, 275–6; suppression of liberty, 173, 192-3; racial theory, 174–5; Nat. Soc. culture, 277–8; Nuremberg verdict on, 182–3, 229; positive achievements, 183–4; spiritual appeal of, 280; opposition to, 192; corruption in Party, 216; Allied measures against after 1945, 272–4, 309; stupidity of leaders, 85
Nebe, Arthur. 150
Neurath, Constantin von. 44, 95, 112, 126, 316
Niemoller, Pastor. 85, 165
Nuremberg Laws. 75
Nuremberg Party Congresses. 75
Nuremberg Trial. Charges against Schacht, 46, 90, 106, 115–6, 230; failure to make case against Schacht, 169–70; conduct of the trial, 228; purpose of the trial, 230–3, 237; verdicts, 235; refuted 'collective guilt' of Germans, 304
Occupation of Germany, Allied. 314–5, 318
Olbricht, Gen. Friedrich. 261
Olympic Games, in Berlin. 185, 210
Oster, Maj. Gen. Hans. 150, 164, 254
Papen, Franz von. 39, 46, 112
Phillips, William. 118
Poland, war with. 140, 305
Popitz, Dr. Johannes. 113, 257
'Prussianism.' 203
Public Works Scheme. 51, 204
Raeder, Admiral Erich. 126
Ravensbrueck, concentration camp. 156–9
Re-armament, German. 49–50, 90, 109, 132; 'inadequate,' 189–90; Schacht's attitude to, 197–8, 282
Register Marks. 59
Reichenau, Fd.-Marshall Walter von. 259
Reichsbank. Policy during inflation, 12; conflict with Ger. Govt., 22; joint responsibility of Board, 54, 134–6; resistance to Nazi extravagance, 130–6
Reichstag. After Hitler's 1932 victory, 39, 45; 'self-emasculation,' 60; impotence under Hitler, 180; never voted for war, 190–1
Reichswehr. Submission to Hitler, 65–6
Reise Marks. 59
Religion. 28 See *Church*
Rentenbank, the. 14
Reparations. 17, 24–5
Rhineland, remilitarisation of. 83, 186
Ribbentrop, Joachim von. Succeeds Neurath, 112; on China, 139; opposes Schacht's visit to U.S., 142
Roehm, Ernst. 65–6, 216
Roosevelt, President. 142, 166–7, 197
Rosenberg, Alfred. 212, 275–6, 316
Rundstedt, Fd.-Marshal Karl von. 259
Russians, the. 234
Schacht, Dr. Hjalmar. *Career*. Reich's currency controller, 7; resignation from Presidency of Reichsbank in 1930, 22, 24; tours U.S., 24, 26; first meets Hitler and Goering, 29–30;

President of Reichsbank for second time, 49; Min. of Economics under Hitler, 68; refuses to join Nazi Party, 70–1, 85; reasons for accepting office under Hitler, 187, 250; tries to check re-armament, 90–1, 109, 198; resigns from foreign-exchange control, 92; disagreement with Goering, 98–101, 103; resigns from Min. of Economics, 103; why he did not leave Germany, 194; personal income, 106–7; re-appointed President of Reichsbank, 108; begins secret conspiracy against Nazis, 113–7; plans 1938 coup d'état with Witzleben and Gisevius, 119–25, 254–6; thwarted by Munich meeting, 125, 128; dismissed from Reichsbank, 129, 135–7; journey to India and Burma, 138; 'defeatism' in 1940, 140–1; plan to keep U.S. out of war, 142, 144; letter to Goering on progress of war, 143–5; dismissed from Min. without Portfolio, 146; 1944 conspiracy with Generals, 258, 150–5; arrested by Gestapo 1944, 156; in concentration camps, 156–65; prisoner of U.S. Army, 166; trial at Nuremberg, 168ff.; verdict, 235; after acquittal, 227; tried by de-Nazification Court, 273–4

Financial Policy. Monetary policy during Ger. inflation, 11–5; opposition to taking foreign credits, 17–22, 33–4, 57; champions small creditors, 37; unemployment policy, 49; finances Pub. Works Scheme, 51, 77–8; 'Mefo' Bills, 51–5; Register Marks etc., 59; Ger. export–import problems, 68–9, 80–3; opposes Hitler's extravagance, 282–4; summary of his achievement, 195–6; Socialistic tendency of his policy, 244

Relations with Hitler. First meeting, 29–30; first impressions, 32; supports Hitler's claim to Chancellorship, 40; 'Hitler never interfered with my work,' 55, 83; Schacht's attitude to Nazis in 1933–9 period, 67, 70–3; social contacts with Hitler, 84; protests against Nazi excesses, 88, 129; Hitler's growing hostility, 97, 101–2; final breach, 135–7; 'Schacht ought to have been shot,' 160; Schacht's attitude to war, 176-7

Schirach, Baldur von. 211, 217

Schlabrendorf, Fabian von. 263

Schleicher, Gen. Kurt von. 66

Schniewind, Minister. 79, 158, 194

Scholl, Sophie and Hans. 245

Schuschnigg, Kurt von. 164

Schwanenfeld, Count Schwerin von. 254

Science, under Nazis. 279

Severing, Carl. 11, 41, 61–3, 193, 243

Simon, Sir John. 118, 185

Social Democratic Party. The pre-1933 leaders, 10–1; failure of pre-Hitler Govt., 42; failure to oppose Hitler, 60–1, 243–5, 307

Solf, Wilhelm. 116

Solf, Frau. 157

Spanish Civil War. 95

Speer, Albert. 96, 160, 217; speech at Nuremberg, 239–41

Sperl, Herr. 79, 86, 104, 158

Sperr Marks. 59

S.S., the. 111, 164, 215, 259; Nuremberg verdict on, 232, 235

Stalin, Joseph. 217

Stauffenberg, Col. Claus von. 154, 264–5

Stauss, Herr von. 29

Stevens, Colonel. 165

Strasser, Gregor. 65

Streicher, Julius. 87, 216

Stresemann, Gustav. 186

Struenck, Theodor. 164

Stuermer, The. 87

Taylor, Telford. 238–9

Thadden, Fraulein von. 157

Thomas, Gen. Georg. 142, 164, 256

Thyssen, August. 12

Thyssen, Fritz. 29, 165

Trade Unions, German. 63, 243, 311

Trott zu Solz, Adam von. 246–7

Unemployment, in Germany. 26, 27, 49, 204

United States. Loans to Germany in 1930, 19, 33–4. Schacht tries to forestall U.S. entry into war, 142, 144; U.S. official attitude to Schacht, 168; 'world's leading financial power to-day', 295

Vatican. 260–1

Versailles Treaty. 16, 93, 185, 291, 297

Voelkischer Beobachter. 196

Voss, Major von. 254

Wagner, Joseph. 161–2
Weimar Republic. Causes of failure, 268–9
Welles, Sumner. 184
Wilson, Sir Horace. 124
Winterton, Lord. 128
Witzleben, Gen. Erwin von. Leads anti-Hitler conspiracy 1938, 119–25; in 1941, 151, 254; association with Schacht in conspiracy, 254–5
Young Plan, the. 22, 23, 25–6, 295–6