

Schacht

1. I was against the Treaty of Versailles. I was against the burden of reparations. I was against the provisions that had taken territory from Germany.

2. I felt that the German people needed living space. I stated publicly "no great nation willingly allows the standard of living and culture to be lowered, and no great nation accepts the risk that it will go hungry".

Foreign Affairs, January 1937.

I felt that reparations could not have <sup>been</sup> paid with the territories that Germany possessed after the First World War. I said in Paris in 1929 "Germany can generally only pay if the Corridor and Upper Silesia will be handed back to Germany from Polish possession and if besides somewhere on the earth colonial territory will be made available to Germany".

Interrogation of Schacht, 24 August 1945, page 34/

3. In my talks in America in 1930 I stressed the colonial solution and I also stated "that it would be necessary to give Germany some economic outlet of her own".

Interrogation of Schacht, 23 July 1945, page 55.

4. I believed that an Anschluss with Austria was necessary because Austria could not exist economically unless it were a part of Germany.

I was opposed to the intervention of the Western Powers in 1931 when they prevented a Customs Union between Germany and Austria.

Int. of Schacht 13 Oct 1945, p. 18

5. I felt that one of the aims of Germany must be to assume "its rightful position as one of the Armed Powers of Europe".

Interrogation of Schacht, 13 October 1945, page 19.

6. I knew Hitler's views on foreign policy from my reading of "Mein Kampf".

Interrogation of Schacht, 26 September 1945, page 15.  
" " " 13 October, 1945, page 2.

7. I knew that Hitler's intention was directed towards the east.  
Interrogation of Schacht, 13 October 1945, page 1.

8.Q."What was there in what he (Hitler) said that led you to believe that he was intending to move towards the east"?

A. "That is in "Mein Kampf". He never spoke to me about that, it appeared in "Mein Kampf".

Q."In other words, as a man who had read it, you understood that Hitler's expansion policy was directed to the east"?

A."To the east".

Interrogation of Schacht, 13 October 1945, page 2.

9. I knew that unless Hitler could be diverted from his intentions towards the east it meant war.

Interrogation of Schacht, 13 October 1945, page 1.

10. It was my opinion all the time that there was no territory in the east which could be won without going to war.

Interrogation of Schacht, 13 October 1945, page 5.

11. "I was of the same opinion as Hitler was that we needed some field of activity somewhere for our population and I thought we could never find it elsewhere but in some colonial activity and that is why I proposed that to him or suggested it, tried to persuade him to aim at that goal".

Interrogation of Schacht, 13 October 1945, page 6.

12. I knew Hitler's intentions towards the east "as early as 1932".

Interrogation of Schacht, 13 October 1945, page 1.

~~12. I tried to divert Hitler's attention from German expansion~~

13. "In order to divert Hitler's attention from German expansion in the east which could not have been achieved without war, I started very early to win Hitler to a colonial policy".

Interrogation of Schacht, 13 October 1945, page 1.

14. I tried to divert Hitler's attention from the east by the suggestion that the Reich acquire colonies".

Interrogation of Schacht, 13 October 1945, page 2.

15. Hitler in the early discussions of 1931 and 1932 concerning colonial policy was "not enthusiastic and not very much interested".

Interrogation of Schacht, 13 October 1945, page 2.

16. I recognised that if Hitler had aggressive intentions they could not have been directed to the use of the Wehrmacht in respect of acquiring colonies but "the possibility could not be excluded" of aggressive intentions in Hitler's mind towards the east.

Interrogation of Schacht, 13 October, 1945, pages 6-7.

17.Q. "So that if Hitler had any aggressive intentions in the back of his mind they could not have been directed to the use of the Wehrmacht in respect of ~~any~~ acquiring colonies, that is clear? - and the only other possibility of aggressive intentions in Hitler's mind could have lain in the east - looked towards the east"?

A. "Maybe, I don't know"

Q. "But at least that was a possibility that could not be excluded?"

A. "Yes".

18. I helped create a powerful Armed Force for Hitler.

19. I knew the dangers of war if Hitler could not be diverted from the east but I felt in the beginning that Hitler had made any movement towards the east dependent upon an alliance with Great Britain which I felt would not occur.

20. In September 1936 I was told by Goering that it was Hitler's view that a show-down with Russia was inevitable.

Minutes of 4 September 1936.

21. I already had that fear in the Summer of 1936 that Hitler had come to this view.

22. I did not believe at that time that there was an alliance with Great Britain and from that time on I felt it was a possibility that Hitler might move towards the east without an alliance with Great Britain.

23. I therefore renewed my suggestions about colonies.

Interrogation of Schacht, 13 October 1945.

24. "In the summer of 1936 I concluded to convince Hitler that he should take up the colonial policy and he ~~xxx~~ sent me to Paris, which I proposed to him. He gave the agreement and I had discussions at that time with Leon Blum, Delbros, the Foreign Minister at that time, Spinasse and others and I found some inclination to ~~xxx~~ discuss that matter with us and Leon Blum at

that time promised me to get into touch with Mr. Eden and I fully agreed of course that it could only be achieved by an agreement with all the other powers and that, of course, England had to be included in whatever plan would be made".

Interrogation of Schacht, 13 October 1945, page 3.

25. I suggested in these discussions "it will lead to peace and achieve a quiet and peaceful development".

Interrogation of Schacht, 13 October 1945. page 3.

26. ~~My~~ suggestions to this effect I was trying to convey to the French statesmen that Hitler would not be diverted from the east unless he could get colonies".

27. "My doubts about the over-doing of the German economy and financial strength originated in the year about 1936. Here again, it took me some time to talk things over with Blomberg and Krosigk and so on. Then I had to hope that on this field, which was my field, I was able to check him. That is why I held my position as managing man of the Ministry of Economics until the Fall of 1937. Then I went out because I saw I couldn't hold it against Goering, in the sense of a reasonable policy, a policy with regard to Germany's potentialities".

Interrogation of Schacht, 16 October 1945, page 21.

28. I felt that Goering and the others were over-loading armaments.

29. I also felt "that any over-doing of armaments contains the danger of war in itself".

. Interrogation of Schacht, 16 October 1945, page 2.

30. While it is true that I had said that "my doubts about the over-doing of the German economy and financial strength originated in the year about 1936," I relied entirely on Fritzsche and I was on good terms with him and I knew that he was against any extension politics of Hitler".

Interrogation of Schacht, 16 October 1945, page 3.

31. My purpose in helping create a powerful Armed Force for Hitler was to make Germany strong enough in armament to prevent the powers from interfering with Hitler's foreign policy.

Interrogation of Schacht

32. "The Reichsbank was clear from the beginning that foreign policy successes could be attained only on the ground of the re-creation of the German Armed Force. It therefore took upon itself the far-reaching financing of the armament despite the dangers that lay within it to the currency policy. Justification therefore lay in the necessity immediately to create armament which would make possible a foreign policy commanding respect".

EC 369. Memorandum of Reichsbank Directorate signed by Schacht to Hitler, 7 January 1939.

33. It was in part these Armed Forces which enabled Hitler to effect the acquisition of Austria.

EC 297 <sup>by Schacht</sup> Speech to employees of former Austrian National Bank, 21 March 1938.

34. "Thank God these things have finally come to pass, that they could not further hinder the great German people, for Adolf Hitler created a society of German will and thought. He supported it through a newly strengthened Wehrmacht and through them he finally brought the inner union between Austria and Germany also into this outward form".

35. "The fact that Hitler had put Germany on an equal international footing again with the neighbouring powers made the Anschluss possible and so one of the aims which I had always had in mind, by force of rearmament was achieved because at that moment the foreign powers did not any more hinder the Anschluss".

Interrogation of Schacht, 13 October 1945, page 18.

36. "I <sup>favoured</sup> ~~viewed~~ the fact that the foreign powers did not any more hinder the coming together of Austria and Germany and that was due to the rearmament".

Interrogation of Schacht, 13 October 1945, page 18.

37. I was sure that ~~XX~~ "by 1938 Germany had resumed what I considered its rightful position as one of the Armed Powers of Europe."

Interrogation of Schacht, 13 October 1945, page 19.

38. "I have certainly not objected in my mind or publicly to the ~~Anschl~~ Anschluss or Sudeten Deutsche but I have always disapproved of the methods. I have realised and stated publicly and privately that all this would not have been fulfilled unless the rearmament of Germany had taken place and changed the position of Germany towards the Allies. The fact that Germany ~~had~~ at that time had an army had great consequences with the Allies."

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39. I said publicly after the Munich settlement, on 29 November 1938: "With the help of this daring credit policy Germany created for itself a strong armament and this in turn has made possible the success of our politics".

I always wanted an Army "to give Germany the equal position in international negotiations".

Interrogation of Schacht, 17 October 1945, page 71.

40. This "equal position" meant "that if Hitler decided to negotiate with Schuschnigg he would be able to negotiate with Schuschnigg with a free hand because he had a Wehrmacht, whereas if he hadn't England and France could intervene as they did in 1931"

Interrogation of Schacht 17 October 1945, pages 71-2.

41. I knew from my discussions with Hitler from 1933 to 1937 that "in order to make his hold and Government secure the Fuehrer felt that he must present the German people with a military victory".

Interrogation of Schacht, 9 July 1945, page 6.

42. "My first moral doubts about Hitler originated in 1934"

Interrogation of Schacht, 16 October 1945, page 21.

43. Nor did I have any confidence in Goering. From the Spring of 1936 Goering <sup>at</sup> ~~had~~ meetings was constantly talking about the contingency of war. Thus, on 27 May 1936 Goering said "all measures have to be considered from the point of view of a safe conduct of war".

EC 220.

44. at the same meeting Goering said that there was no longer time to wait for new methods and that facts were needed on "requirements in case of war".

45. On 4 September 1936 Goering asked rhetorically what sort of risk it was that our industry fears compared to the risk in the field of foreign affairs which the Fuehrer ran so continuously. By that time Goering pointed out that "all measures have to be taken just as if we were actually in the stage of imminent danger of war"

46. At the same meeting Goering noted that Dr. Goerdler had presented a memorandum which was "absolutely useless" because "in addition to many other erroneous thoughts it contains the proposal of considerable limitation of armaments".

47. In the Summer of 1936 I personally received from General Blomberg a copy of an instruction from Hitler to the effect that all formations of the Air Force were to be ready by 1 April 1937.

1301 PS. No.7., Blomberg to Goering,  
21 August 1936.

48. As early as 1934 I told Mr. Messersmith that I understood the dangers of Hitler's policies for Germany and for the quiet of the world".

L-120- Messersmith to Phillips, 13 April 1934.

49. I told Ambassador Dodd in September 1934 "that the Hitler Party is absolutely committed to war, and the people, too, are ready and willing".

Dodd's Diary, pages 175-7.

50. In January 1937 I told Ambassador Davies that the present condition of Germany was intolerable and that I had been authorised to submit proposals to France and England which would assure peace in return for a colonial cession.

L-111, Davies to Secretary of State 20 January 1937.  
Interrogation of Schacht, 13 October 1945, page 4.

51. I was still trying to indicate to the Powers that I feared Hitler's intention towards the east.

52. In November 1937 I told Ambassador Bullitt that Hitler was determined to have Austria and at least autonomy for the Germans of Bohemia.

L-151, Bullitt to Secretary of State, 23 November 1937.  
Interrogation of Schacht, 17 October, pages

53. These views I knew from the discussions with Hitler.