

OFFICE OF U.S. CHIEF OF COUNSEL
FOR THE PROSECUTION OF AXIS CRIMINALITY

INTERROGATION DIVISION SUMMARY

Interrogation of SCHACHT, Horace Greeley
By: Lt. Col. Hinkel, 10 October 1945, p.m. Nurnberg

PERSONS AND ORGANIZATIONS IMPLICATED AND SUBJECTS.

1. SCHACHT, Horace Greeley
 - a. Banking laws
 - (1) Abrogation of Reich Bank independence (pp. 6,11)
 - (2) Abolition of Gold Standard (pp. 1,2,3)
 - (3) Creation of artificial corporation, Mefo (pp. 3,4,9)
 - (4) Registration of foreign assets (p. 19)
 - (5) Control over foreign financial transactions (p.19)
 - (6) Devisen Law (foreign exchange) (p. 27)
 - b. Re-armament
 - (1) Financing of (p. 5)
 - (2) Excess Profit Law (pp. 11,12)
2. REINHARDT
 - a. Provision of WORKLAW (pp. 14,15,16)
3. GOERING
 - a. Control of foreign exchange assets (pp. 25-27)
4. KROSIGK
 - a. Amnesty Law (p.31)

Horace Greeley Schacht, 10 October 1945, p.m.

Schacht states that the Reichsbank had its own legal existence and was independent from the German Government. (pp.1,6,10) This status was abrogated only by the Reichsbank Law Amendment of June 16, 1939 (pp.6,11). From 1933 to 1938, specifically after Reichsbank Law Amendment of 27 October 1933, the issuance of currency was no longer dependent on the existence of a reserve of gold and foreign exchange (pp.1,2,3).

Schacht instigated the foundation of a fully artificial (pp.3,4,9) corporation, late in 1933 or early in 1934, (p.7), - by the name of Mefo (Metallforschungsgesellschaft, meaning: metal experiment-better: research), - in order to circumvent the statutory requirement of two signatures on bills of exchange offered for purchase to the Reichsbank (pp.3,4,5). Industries of every kind, e.g. Krupp, United Steel Works, textile industry (p.5), were provided with cash (10) by instructing them to draw on the Mefo for their orders from the Minister of War (p.8). Mefo, in turn, received the money from the Reichsbank who "would not accept anything but Mefos" (p.5). All told twelve billion Reichsmark "that were devoted to the armament program were obtained through the medium of the Mefo" (p.5), which would not have been necessary without the re-armament program (p.7).

By the Loan Fund Law of March 1934 corporations were required to hand over their profits in excess of 6 % to the German Gold Discount Bank for investment in Government bonds unredeemable for four years (pp.11,12). Schacht claims only 20 to 40 million Marks were thus made available (p.12). The sum of one billion Marks he furnished for the execution of the Law for the Provision of Work, of June 1933, (devised by Reinhardt) may, however, had some significance for building up a potential for armament (pp.14,15,16).

The Law of 12 June 1933 decreed registration of all foreign assets in excess of 1,000 Marks (p.19). Schacht also mentions another law of June 1933 by which private debtors who owed money abroad had to pay to the Conversion Office, under the management of the Reichsbank, who would allow the foreign creditor to withdraw his money exclusively for use in Germany (pp.23,24,25,32,33).

Schacht instigated the Devisen Law of February 1935 by which he, as Minister of Economics (p.27), and later Goering had full control of foreign exchange transactions. The basic purpose of this law was to get hold of all foreign exchange assets to purchase foodstuffs and the raw material needed for re-armament and stock-piling (pp.25,26,27) of which Schacht was conscious (p.30) although he disclaims knowledge of details (pp.28,29).

Schacht remembers the (Krosigk) Law of December 1936 which granted amnesty to people who would deliver their foreign assets now, but if caught later would be killed (p.31).