To General Donovan

Nurnberg

I beg your permission to describe to you the whole complex of the powerful events which have taken place in Germany during the last twelve years. I have seen everything that has happened and have been able frequently to observe everything on the basis of my efficial position.

As far as the personalities are concerned, the events will now be judged by the International Military Tribunal. The question whether this court has or has not rightful jurisdiction, is completely unimportant. These events have shaken the world to such an extent that the world is entitled to an early the guilty to account. I am convinced that today a German court would arrive at no other decision than the International Military Tribunal. I myself am perfectly willing to submit myself to the sentence of the International Military Tribunal. It will judge according to the basic and legal principles which guide all decent people.

That I myself am one of the defendants is merely due to the fact that the world is incompletely informed conserning the role which I have played during the last twelve years. As no other person, where I have the right to appear as a presecutor in this trial, not as a defendant. I have led a decent and fair struggle, often at the risk of my life. I am able to accuse, since I am guilty of no criminal or immoral deed. In the beginning I have erred since just like many other men within and without Germany I have been cheated and lied to; as soon as I realized what the true situation was I did everything in my power to prevent a disaster, and have done everything in order to remove the criminals from power.

I have deeply suffered from the mistakes and injustices of the Treaty of Versailles, but I had always hoped that these mistakes might be gradually rectified by peaceful negotiations. I had always relinquished all chaims on Alsace-Lorraine. I had hoped that the problem of the Polish corridor would be settled by agreement. I have always made the incorporation of Austria into Germany dependent on the wishes of the Austrian population. I have therefore deeply regretted it that the Allied Nations did not authorize a customs union between Austria and Germany in 1932. I would have preferred a sustoms union between Germany and the Sudeten Land, which should have included all of Czecho-

slevakia. I considered international disarmaments one of the most important things for the preservation of peace.

The completely negative attitude of the Allies towards Germany brought success to the Hitler Movement. I had nothing to de with this mevement since I confined my activities to my economic and financial tasks. In January and February 1941 I urged Chanceller Bruening to ask the National Socialists to enter the government so that they would have positive tasks which might absorb the demagogic elements of the mevement. Bruening could not be persuaded to de this. When in 1932 the National Socialists had 230 Reichstag deputies I saw no other way but to give him, as leader of the largest party in the Reichstag, the chance to carry out his promises. One should not forget that there were at that time 6,000,000 unemployed, and the Communist movement was rising incessantly. In 1923 I had already faced the same situation which I had helped to solve by the stabilization of the German currency. The danger now was a similar one and my democratic attitude made me give Hitler a chance. I have never agitated for him and I never became a member of the party (see page 13).

Since I knew how important a healthy currency is in an economic rehabilitation, I reaccepted my former position as president of the Reichsbank. I am being accused of having financed German rearmament. I did this because I considered rearmament essential as a compensation for the non-disarmament of the other Powers. I considered a disarmed Germany a continual danger to the peace among armed arm and continually arming nations. If peace was to be maintained, Germany had to be on an equal geoting with its neighbors. Either general disarmament, or German rearmament - that was the alternative in order to recreate the equilibrium.

I hoped that the presentation of such an alternative would result in international negotiations concerning a general disarmament. I have always preferred general disarmament to a German rearmament. For this attitude I have no less a witness than the American Ambassador Joseph Davies, who in his book "Mission to Moscow" quotes a conversation with me concerning a disarmament proposal of President Reosevelt which I enthusiastically approved of without however being able to convince Hitler. This conversation took place in 1937 and shows that even then I still hoped that a general disarmament, might be possible. Actually President Reosevelt was the only leading politician who saw the situation in his

true light. The Allies did nothing. They did nothing against Germany in a commercial way, for instance by sanctions, nor in a diplomatic way, be it by breaking off diplomatic relations or resuming armament negotiations. All they did was to present a weak note of protest. Great Britain even went so far as to formally authorize a rearmament of the German Navy by concluding a "Naval Agreement" with Hither in 1935. I therefore had to come to the conclusion that the Allies preferred a German rearmament to their own disarmament.

Soon in the course of the German armament, I had difficulties with the Minister of War. In several lectures to higher officers of the Ministry of War and of the Defense Adademy I pointed to the limits which were set to German rearmament by economy and finance. Repeatedly I told the Minister of War, tegether with General Themas, the head of the Armament Office, who was in complete agreement with me, that the speed and extent of the armament program would have to be limited. The currency and the finances of the state had to remain healthy, fixem foreign trade had to be maintained for the purchase of food supplies and raw materials for the export industry. Rearmament was less important than these requirements.

Hitler and the party did not agree with this policy. The Four Year Plan set up by Hitler in the fall of 1936 was nothing but an attack against my reasonable economic policy when, after August 1934, I was partly responsible, in a provisional way, for the Ministry of Economics. The Four Year Plan had been prepared behind my back so that I was completely taken by surpfise. As a result of the conflicts between Goering, the Head of the Four Year Phan, and myself, I offered my resignation from the Ministry of Economics in the fall of 1937 and succeeded in having it accepted.

Up to March 1937 I had given rearmament credits in the amount of nine billion (9,000 million) Reichsmark. These credits were given for a period of five years and were then to be repaid out of the Reich budget. The first payments were due in 1939. Since I realized that such repayment was doubtful in view of the unrestrained spending by the state, I told Hitler, in March 1937, that the Reichsbank was not able, and not willing, to provide further funds. This announcement led to a deep conflict. Since Hitler was unprepared to accept such sudden notice, I agreed to compromise. I promised another three billion marks for one more year, on the condition that I would leave, Pracedidium

of the Reichsbank the minute Hitler would ask for furtherfunds. He complied with this compremise. After March 1938 the Reichsbank did not give another penny. Already towards the end of 1938 the M nister of Finance got into difficulties. He asked for renewed credits from the Reichsbank which were refused, and the Minister of Finance was forced to appreach private banks. On January 2, 1939, Hitler asked me to print more bank notes for the expenditures of the state but the Praesidium of the Reichbank unanimously refused to do this. I thereupon was dismissed by Hitler as president of the Reichsbank. Five of my colleagues left with me.

I have never been informed concerning the extent of the rearmament program - and this quite intentionally. In spite of this I gradually had the feeling that rearmament was going beyond desireable proportions. Hitler never spoke to me about any intention to wage war, but always talked about his love of peace, both in conversation with me and in his public speeches. But the exaggerated rate of rearmament made me suspicious and appeared dangerous to me.

I continued in my own sphere to further a peaceful understanding in foreign affairs. The steady collaboration with foreign banks of issue and the meetings at the Bank of International Settlement at Basle, gave me welcome opportunities to do so. Added to this were occasional visits to Paris, London, and other cities. I conducted credit negotiations with China and Russia. I became most hopeful, when in the summer of 1936, I succeeded in persuading Hitler to take up negotiations concerning the colonial question. I always hoped thereby to divert him from his mad ideas of expansion towards the East. The reason I did not take these ideas too tragically was the fact that Hitler had made such an expansion in the East dependent on England's help - as expressed in his book "Mein Kampf". I knew of course that such help would never be given. At this point Hitler authorized me to go to Paris, where I discussed the possibility of a return to Germany of some of the colonial mandates with the cabinet of Leon Blum. Fortunately Blum recognized that a colonial arrangement would be beneficial to the cause of peace, and promised to take the question up with London. London hesitated at first, but I learned in the beginning of 1937, that they were ready to take up negotiations. At this time the Spanish Almeria incident occurred, and Hitler dropped the whole matter.

I still did not realize that Hitler wanted war. The reason I became

mere and more opposed to Hitler lay entirely in the moral aphere. His entire lack of any feeling of justice, his disregard of all laws, his toleration of party excesses against the church and the Jews, his depravation of German youth, the inhuman conduct of the Gestape, the degradation of German efficialdom, the shameless enrichment of party officials, all of this got words from year to year. These were mistakes and crimes which could not be made up for by getting rid of unemployment, and by no successes in foreign affairs. One could not and should not rule the people like that.

Quite early I had expressed my opposition to these things to Hitler. Early in May 1935 I had handed him a memorandum in which I demanded the stopping of the attacks on the church, legal protection for the Jews, and liquidation of the Gestape. In spite of the fact that Hitler had tried to pacify me by explaining these happenings as temperary revolutionary phenomena, I repeated my opinions publicly a few weeks later in Keenigsberg. The publication of this speech in which I had also steed up for free masonry, was banned by Reebbels. I had the speech printed in the printing room of the Reichsbank, and in this way, 250,000 cepies were distributed all ever Germany.

I had continuous fights with the majority of the Gauleiters, partly concerning questions of maltreatment of Jews, partly concerning encreachments on the authority of the state. All of these conflicts were concluded in my favour.

Soon I was, as a former free mason and democrat, the best hated man in the party.

Only because of my accomplishments did Hitler not separate himself from me.

However, my conscience began to bother me more and more and I asked myself whether I should continue to collaborate with so amoral a man mr not. I
could have saved my own person but that would have been of no use to the
country. I decided to stay on and to try everything in order to stop the evil
instincts of Hitler and to counteract them. This required a great deal of
pretense, but also gave many uninformed people a wrong impression of me - but it
seemed more courageous and more honorable to me to take up the struggle than to
resign. If there had been more men who would have put up the same kind of
resistance, and who would have taken the same risks, the end would have been
different. There were no such men. I saw that clearly during the Fritsch
Incident.

General von Fritsch was the most honorable efficer in the German Armed

The fact that Fritsch was not reappointed to his own effice, was ominous. If ever, this was the time when the generals should have done something against Eitler. Since nothing happened, I personally got in touch with Brauchitsch, Rundstedt, and Raeder. I told each one of them that the generals would lese all influence and honor if they did nothing against the dismissal of Fritsch. I had no success with either one of the three.

I then decided to act on my own. During the course of the summer I found in the person of General von Witzleben an officer who thought the way I did. We planned a military coup d'etat for which Witzleben, as commanding efficer of the Berlin Service Command, man ordered troops and tanks. At the last moment some of the generals under Witzleben lost courage, influenced perhaps by the foreign political successes of Hitler, who at that time, thanks to the policies of the Allies, was at the peak of his popularity. The first attempt at revolution had failed; I had to go on fighting, under continual risk of my life.

In order that my dismissal from the Reichsbank het be discussed too much, Hitler expressed the wish that I go abread for some time. On March 11, 1939, I left for British India, Win Switzerland, and returned early in August. I reports found the situation expremely serious. When/MANNE concerning a conflict with Peland became more and more frequent, I tried at the end of August 1939, tegether with General Thomas, to get in touch with Generals Brauchitsch and Halder, in order to warn them at the last minute that war might break out. However, Admiral Canaris, who was to be the intermediary, dissuaded us from establishing this contact, since in his opinion, it would lead to our immediate arrest.

From the very beginning of the war I never stepped taxtakkrof the hopelessness of winning this war. Foreign Minister von Ribbentrop sent me a warning through State Secretary v. Weizsaecker, I should stop making defeatist remarks as I had done during a conversation with the Minister of Economies Funk.

I thereupon wrote a letter to Fank in which I repeated my opinion that it was impossible to win the war, and sent copy of this letter to Weizaecker. When, after the United States had entered the war, Goebbels asked me to write an article for his magazine "Das Reich", to the effect that the war potential of the United States represented no danger for Germany, I refused to write the article, and told him that I could not do so since I was of the exactly opposite opinion. In September 1941 I wrote a long letter to Hitler in which urged him to change his foreign policy and to seek peace. Reich Minister Lammers wrote me in reply to tell me that Hitler had read my letter. At the end of November 1942, I wrote an extremely sharp letter to Goering which caused him to exclude me from the Prussian State Council, because of defeatism, and which caused Hitler to discharge me from my position as Minister without pertfolio.

I was in continuous touch with all people who were against Hitler. In the a man time from 1940 to 1941 I tried ence more to get the military/to act - General Hoeppnen, who was hanged after 20 July 1944. Some of the generals were ready to undertake an action against Hitler. They permitted delays because of the attempts at concluding negotiations with the enemy powers in case of Hitler's and liquidation. These attempts, which took a long time/ were conducted partially wis the Vatican, and finally the Casablanca clause of "unconditional surrender", ERRITHERED CONTINUED to paralyze the action of the generals, until finally on 20 July 1944 the unplanned and poorly prepared attempt at assassination occurred, as a result of which I was imprisoned on 23 July 1944 as politically suspect.

If today, after everything is ever, I want to arrive at an evaluation, it would be the following:

The unsuccessful revolution of 9 Nevember 1923 had shown Hitler that the German people were too democratic to telerate a coup dietat of subversive elements. He therefore propagated in conscious insincerity, the methods of "legality". The economic and social emergency as a result of the treaty of Versailles, and the incapability of the Social Democrats to master the situation, prepared the soil for Hitler's propaganda in competition with Communism. The religious attitude of the German people, its leve of family, provate property,

order and law, all of which Hitler had promised to protect, gave him priority over the Communists. The parties of the middle classes gave Hitler power, without assuring themselves an abuse of this power.

Once he had seized the power, Hitler conquered, with the help of ministers and officials of the previous government, the economic, social, and financial difficulties. At first he consciously misled these collaborators and then sought to make them incapable of any action by kklling freedom of expression, by threatening, by power and corruption. The people were held in a state of complete ignerance and were terrorized by the party and by the Gestape until they were completely paralyzed.

It is a tragedy that there were not one or two dozen men in responsible positions who openly resisted Hitler the way I did. It was especially sad to see such a lack of character in the members of the efficers' corps, who thought that they owed allegiance to a lawless chancellor who had broken many oaths - even when they were akked to do things which were against law and conscious.

for
They will have to bear the consequences mf their lack of a feeling of responsibility and for their lack of moral courage.

(Insert for page 2)

In January 1937 I, just at all theother civilian ministers, received the Golden Party Badge from Hitler. He declared that he was going to make the Golden Party Badge a sort of order. Adherence to the party or to the platform of the party was not connected therewith. Neither before nor afterwards have I ever entered into any obligation toward the party.