

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

INTERROGATION DIVISION SUMMARY

Interrogation of FUNK, Walter

By: Lt. Colonel Murray Gurfein, 19 October 1945, a.m.

Persons and organizations implicated, and subjects

1. FUNK

- a. Preparations for war
 - (1) Four Year Plan (2)
 - (2) Plenipotentiary for War Economy (3)
 - (3) State Secretary Posse (3)
 - (4) Drafting of laws for war economy (4)
 - (5) Armament requirements (4)
- b. Danger of war with Poland (5)
- c. Negotiations in Holland (6)
- d. Bank of International Settlements (6)
- e. Danzig question (7-8)
- f. International currency and credit system (8)
- g. Secret gold fund of the Reichbank (8-9)
- h. The term "Juliussturm" (11)
- i. Economic demands of the OKW (14)
- j. War against Russia
 - (1) Conversation with Hess regarding economic consequences (14-15)
 - (2) Financial preparation for the attack (16)
 - (3) Discussion of impending attack in April and May 1941 (17)
 - (4) Knowledge of impending war as of May 1941 (18)
- k. Economic exploitation in Russian occupied territories (19-20)
- l. Importation of goods to Germany (2)
- m. Assessing of occupation costs (21)
- n. Hitler's intention to dominate European economy (21)
- o. Funk's memorandum to Hitler concerning economic domination (22-23)
- p. Jewish economic question
 - (1) Confiscation of Jewish Property (23-24)
 - (2) Program of 8 and 9 November 1938 (24)

Funk says he was nominated minister of economy November 27 or 29, 1937 but did not take over the ministry until February 1938, since the plenipotentiary for the Four Year Plan, Goering, was using it for his purposes.(3).

Denies having taken over Dr. Schacht's position. Says Schacht was an independent minister; when the Four Year Plan was created, the battle against Schacht commenced; that the Four Year Plan was his (Funk's) commanding service department. Neither did he take over Dr. Schacht's position as Plenipotentiary for War Economy. This position was created in accordance with the law, "The Defense of the Reich Law", in which Funk did not participate. (2) The Plenipotentiary for War Economy, as planned by the minister and, in particular, Blomberg, dealt with the whole question of war economy. Goering, when Funk took over this function in 1938 made a very clear statement, addressed to Funk and Keitel: "I will not give this function to Funk, I will run it myself." (3).

He describes the effect of the Four Year Plan.

Says that the office of Plenipotentiary for War Economy was working under State Secretary Posse, until it ceased to exist at the end of 1939 (3).

Admits responsibility for Posse's actions as his subordinate. Says he helped drafting the law for control of the economy in war time, the war economy law. All departments were working on this law which was entirely due to Funk's activities but it was created only after the outbreak of war. (4)

In a conference at Goering's office, approximately in June or July 1939, in which all ministers concerned and the generals as well as the armament people were present, Goering asked about the requirements of the armament people. Of course, he did not say when the war would come. This was the first time Funk claims he heard about a possible war (4).

Requirements were stated, i.e., by General Thomas, and when Funk heard these figures he declared that such quantities of textiles, rubber, leather, etc. could not be produced by German industries (4). Goering accused him of giving too little support.

Funk admits that the figures stated of the material requirements referred to the event of war; they represented the requirements of the army in case of war. The danger of war existed (5), because conditions in Poland were those of disquiet.

He said he was in Holland in June; negotiated with the (Dutch) government in July, about certain clearing matters. Subsequently he went to Basel for meeting of the Bank of International Settlements, where he discussed with Montague Norman and the French delegate, Houweir, the danger of possible war. He explained to them both - who can confirm this - that N.S. Germany could not gain anything by war while still in process of reconstruction; that he (Funk) considered Hitler, an intelligent and clever statesman, would find ways to avoid a war. (6).

Claims that Danzig was not mentioned during the conference in June or July, but thinks that the conference and the demand for Danzig must have fallen in the same period. Cannot recall having written to Hitler on August 25, 1939, but says he only demanded, perhaps in August 1939, a few days before the war against Poland started, the enforcement of economic measures in good time. His report went to Hitler through Lammot but he cannot recollect whether he wrote a letter or not. Says if he wrote that letter, its points can refer only to the war economy decess (7-8).

Asked whether he reported in the letter in question that the Reichsbank was prepared to withstand any disturbance of the international currency and credit system, Funk says that such disturbances could not really arise: the market was protected, foreign credits were frozen already in Schacht's time, foreign goods, gold and foreign currency had been accumulated for such an event. (8) Denies this had been done for the event of a war; it was done under Four Year Plan, under which all foreign currencies (in Germany) had to be reported, also all claims abroad (8).

The secret gold fund of the Reichsbank was the not for the event of war. When he, Funk, took over the Reichsbank, he found the gold reserve was about 500 million gold marks. The Reichsbank balance statement was only about 72 to 75 million gold marks. Surplus gold originated from the County Banks of Issue. This gold was always considered as not altogether free; though it was owned by the Reichsbank (8-9).

He never discussed any other Reichsbank matter with Dr. Schacht, after taking over (10).

Funk says that the term "Juliusturn" was used by somebody in the Reichsbank in connection with these Banks of Issue, as referring to the gold fund which previously had been held by the County Banks of Issue which amounted to less than 200 million gold marks. (11)

Goering's conference was caused by the economic demands of the OKW, to be prepared if there should be war. No financial matters were discussed, only economic material: raw materials and equipment; that he, Funk, made comments on equipping the army with leather, textiles, etc., because he was responsible for the supplying of the population with these items. (14)

Towards the end of April, 1941, he heard that Hitler, or someone in his entourage, had said that a war with Russia was about to break out. He can recall this because he discussed this subject with Hess, who wanted to find out from Funk what the economic consequences of such war would be. He told Hess that Germany no longer would receive important raw materials and supplies she was getting at the moment. Hess held

the view that Hitler must be informed of this tricky situation. Funk, told Hess that the information should be given to Hitler by the OKW department for rearmament, not by himself as Minister of Economy. (14-15)

He says that no financial preparations for the attack on the Soviet Union were made. Says he cannot remember having had a talk with Rosenberg at that time, concerning the current situation, in the presence of several other officials. If such a meeting should have taken place, maybe in May 1941, where the ratio of the rouble to the occupation mark was to be settled, he would have to admit that he had to be present at such meeting. Cannot recall it, but says if a suggestion had been made that the Reichsbank should print Russian roubles, then the Reichsmar certainly would have opposed such suggestion. But he cannot remember the suggestion as such. (16)

Funk recollects that a pending attack on Russia was discussed in wide circles, April and May 1941 but he does not recall that any financial measures had to be prepared. Whenever a ratio of exchange between the mark and the rouble was fixed, he would certainly include himself, since unscrupulous suggestions were made in military and other quarters. Says it may be assumed that in April and May 1941 he considered the problems of occupying Russian territories, insofar as they affected the Reichskredit-Kassen, of which he had charge, too. Cannot recall whether he concerned himself with it, but that the Reichsbank directorate, whose members were also on the board of the Reichskredit Kassen, would have concerned itself with these questions. He would have received reports, as usual, but cannot remember details. (17)

Funk cannot remember any specific economic conference which preceded the attack on Russia, during May. Admits he knew in May 1941 that war against Russia was threatening; that he was told such a war was possible, and that preparations for it had to be made. (18)

Admits he appointed his representative, Dr. Schlottner to deal with the questions of economic exploitation of the Russian territories to be occupied, right after the attack on Russia was made. He had Dr. Schlottner attached to the Ministry of Eastern Affairs, for this purpose. The leading department for these questions, however, was the Four Year Plan. Denies having participated himself in discussions concerning the plans to take machines, etc. out of Russia to Germany, that Schlottner had his full power to act for him. He could not give orders in occupied territories, only the Four Year Plan could. Claims he could not give instructions to the military governors, for looting of consumer goods, etc., they could come only from the Four Year Plan. (19-20)

Describes the methods used in importing such goods to Germany. (20)

Admits he never objected to the policy of taking these things from Russia to Germany; says it is customary to obtain goods from occupied countries. Says the goods were clearly paid for, by certain organizations operating under order of Rosenberg. It must have been handled the same way as in France where every article was paid for. (21)

Costs of occupation were fixed against the occupied areas by the ministry of finance. Denies knowledge of how and whether these monies were used to purchase goods in the occupied areas. (21)

Admits it was Hitler's intention to insure the economic domination by Germany over the European continent. Says if the war had been won, i would have given Germany complete economic power, undeniably. (21)

~~Denies never having talked about~~ economic questions with Hitler. Believes it possible to have written a lengthy memorandum to Hitler on this topic, but that this must have been after Germany's military situation had become so favorable that economic questions had to be talked about. But he does not know what memorandum is meant. (22)

Admits ~~often~~ to have voiced his view publicly that a strong European economy would have to be based on a strong German economic position, but he never expressed the opinion to anybody that this must be achieved by war. That he always held such a position could be achieved by coordinating European economic aims. (22-23) Admits that such economic arrangement had been prepared by him, aiming at control of Europe's economy by Germany. (23)

Says he did not take part in the November 1938 conference resulting in exclusion of Jews from German economic life, but admits he took part in a subsequent discussion at Goering's office in that matter. (23) Says he had to take charge of confiscation of Jewish property to prevent further lawless and illegal appropriation of such property. (24)

Funk says that not the government but the N.S. Party ordered the programs of November 8 and 9, 1938, Wants to say something extremely important, namely, that several people in the months preceding, this action, in 1938, made representations to him about the untenable condition that the Jews still had such strong economic property, but that he refused to all these people to take any action what ever. Denies that he has ever done so. Those later measures he finally made were for the purpose of assuring that the Jews were not simply robbed; that they were given Reich bills in exchange for their confiscated property, etc. (24)