

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

INTERROGATION DIVISION SUMMARY

Interrogation of: SCHACHT

By: Lt. Colonel Hinkel, 11 October 1945, p.m.

Persons and organizations implicated, and subjects

1. SCHACHT

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- c. Financing (p. 1)
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2. BLOMBERG

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3. HITLER

- a. Re-armament (p. 28, 29)
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4. DR. BOUT

- a. Mobilization plans (p. 17, 18)

5. GENERAL THOMAS

- a. Armament (p. 28, 29)

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REARMAMENT

He remembers Reichsbank Law Amendment of 15 June 1939 (See 10 October, pp 6, 11), but states that Hitler ordered a secret law to the same effect previously, in January 1939. (1)

States again that Mefo financing was about even during the entire period from beginning of 1934 to March 1938. (3) Reiterates that one principal plan of German politics was the Rearmament Program, but again will not recall details of this nor of the State Budget. (5) Made his conclusion as to equality of German armament with that of other countries from the situation of money, employment, food. (6)

Has no recollection of authorship of any memorandums of 1935 or 1936 regarding rearmament, nor of meeting with the Council of Ministers on this subject (8,9); however discussed the matter with Blomberg (9).

Remembers presence at meeting in "Kierhaul". (10) Recalls discussions concerning the economic influence of rearmament. (11)

GOLD BALANCE

Believes that 72 million Reichsmarks was the approximate gold holdings of the Reichsbank in 1936 (12, 13), probably comprising all other holdings in Germany because everything had to be delivered to the Reichsbank.

Was conscious that a few hundred million marks of gold did not mean anything since imports of six to twelve billions a year were involved. Does not know whether any gold reserve was left in 1936. (14)

SYNTHETICS

Initiated synthetic Benzine production in 1935, and tried to increase output of other synthetics that were already in production from 1932 (15), although he doubted for reasons of economy if their increase should be advocated (33).

Looked on creation of Goering Works for production of iron from low-grade ore, as unprofitable (16), but knew that in case of war cost means nothing (34).

Disclaims knowledge of meaning of code word "Mobfall." (17) His Ministry had sections devoted to Mobilization plans (17,18), in charge of which was Dr. Bout. Is certain that orders for the event off war were given to every minister, but is not familiar with the Mobilization Books. (18)

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FOUR YEAR PLAN

Learned of the Four Year Plan only on its announcement on the Party in September 1936. (19)

MEFO

Reiterates his statement about the artificiality of the Mefo which had a capital of only one to two million marks. The provision that Mefo bills with only two signatures (drawer and drawee) could be accepted by the Reichsbank was instituted as a exception to the general rule that only three-signature bills should be accepted. (20)

MINISTER OF ECONOMICS

On 31 August 1934 Schacht assumed office as Minister of Economics under the law of 7 March 1934 with the power to take sweeping measures for promotion of German economy even if such measures should deviate from or contradict existing laws. (21) He instigated the law of 4 April 1934, the "New Plan" (31, 32), empowering him as Minister of Economics to exercise, control and regulate all commodity traffic and every foreign exchange. He states that he used this law as basis for the barter agreements, directed towards the procurement of raw materials including foodstuffs. (22, 31, 32) Again disclaims knowledge of details. (3, 24, 25) He knows however that armament producers were among the largest purchasers of foreign exchange for importation of raw materials. (26, 27)

Schacht repeats that after having been for disarmament from 1920 to 1930 he changed his mind completely and advocated rearmament in order to put Germany on an equal footing with other nations. States he could not find out about the actual status of the rearmament although he inquired of the Minister of Works, of Blomberg, and of Hitler. As early as 1936, but for economic and financial reasons only, he counselled Blomberg and Gen. Thomas to go slow on armaments. (28, 29)

SUSPECTED HITLER

Schacht first became suspicious of Hitler as a man after 30 June 1934, the day of the Party purge. On 3 May 1939 Schacht handed Hitler a memorandum on 1. Stoppage of the attacks of the Party against the Church, 2. Grant of legal protection to the Jews, and 3. Dissolution of the Gestapo and secret police. (30, 31)