OFFICE OF U, S. CHIEF OF COUNSEL FOR THE PROSECUTION OF LXIS CRIMINALITY

INTERROGITION DIVISION SUMMLRY

Interrogation of: SCHLCHT

Von PAPEN

LT, COLONEL LOEB

a, Mobilization (p. 52)

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7.

By: Lt. Colonel Gurrein, 16 October 1945, p.m.

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RESPONSIBILITY FOR AID TO HITLER

Schacht never refused to aid Hitler although in 1×37 as well as back in 1935 he had the definite option of terminating his cooperation. (14)

Schacht's first moral doubts about Hitler originated in 1934, doubts about Hitler's overstraining German economy in 1936 (21), and he so in a letter to Blomberg 14 December 1936 (14).

He takes the position that any official could at any time withdraw if he thought that the moral organization was such that he could not go on. He feels that the members of the General Staff were responsible for carrying into execution Hitler's plans and equally guilty with him. (31) He says, "Even if I had voluntarily undertaken such a position (a position entailing activation of forces should war come) and it did bring a demand which goes against my conviction I would say, 'dismiss me or shoot me'".

After the Four Year Plan came in September 1936, Schacht developed substantial doubts as to whether he could carry on as Minister of Economy (27), however he did not act decisively when Goering began to interfere (27,28,29). An argument with Goering resulting in a memorandum of 7 July 1937 (signed by both Schacht and Goering, Exhibit A 1945 Ed Low) shows that Schacht was hanging on tenaciously to his position as Plenipotentiary of War Economy until his resignation at the end of 1937 (35,36,37,38), because he wanted to be in charge of preparation for mobilization and to have control in the event of war (39).

In 1933 Schacht had talks with Brauchitsch, Raeder and Rundstedt about the Fritsch affair and found that Hitler might abuse the Wehrmacht (22,23), yet he continued on his job, and went out of his way to lend by subterfuge to the Government where he could not do it normally or legally. (27) When Schacht was finally dismissed as Reichsbank president in January 1939 it was due only to the fact that he would not budge from principles of finance and not because he objected to rearmament. (22,24,25,26,27)

In spite of his disagreement with Hitler's policies toward Poland and France and the armistice at Compiegne, he met Hitler at the railway station and was present at the session of the Reichstag on the Government bench. His defence of this is that he was conscious of dealing with a gangster. (33)

ARMANIENT

Schacht presents a statement (Exhibit A, 16 October 1945) referring to his memorandum of 3 May 1935 to Hitler about financing. On that same day he had presented another memorandum to Hitler about maintenance of export trade in connection with Gestapo, Jewish and Church problems. (39,40)

In the first memorandum about financing it was stated that substantially everything in Germany had to be subordinated to the one main goal: Armament. (31) The only limitation was the economic factors that might make it possible or might tend to hinder it. Responsibility for the finding of financial and economic means were assumed fully and voluntarily by Schacht. (41,42,45,44,45,49)

Schacht, 16 October 1945 p.m.

Schacht corrects previous denials of participation in the Small Ministers' Council, which he now thinks took place only after the Four Year Plan was announced in September 1936. He remembers finally several earlier meetings, one 27 May 1936 with Goering (as chairman), Blomberg, Krosigk, Papen and Lt. Col. Loeb (52), in which mobilization was discussed. He remembers Goering as saying, "all means must be considered from the standpoint of assurance of the direction of war." (53) Schacht was then Plenipotentiary of War Economy and concerned with preparation in the event of mobilization from the economic point of view. (53) He was quite conscious that "armament was preparing for some military event." (30, 31)

ADMITS RESPONSIBILITY (AUSTRIA, ETC.)

Schacht does not deny that the army Hitler was using as a threat was, at least in part, his own creation, and put by him in the hands of "this reckless man." (12) Thoughts of Hitler's possible warlike intentions fully materialised in Schacht's mind in the Fritsch affair (February 1938). (3,11) Especially as Blomberg had meanwhile been replaced by Keitel whom he did not trust. (9, 10, 11)

Gives various interpretations to events preceding the Anschluss, but he was aware of a prewarlike tension that had gripped Europe at that time. (4, 5, 6)

It also struck Schacht in 1938 that Hitler could not have threatened the Czechs and forced the appeasement policy, Munich and cession of the Sudetenland without the Wehrmacht and the armament industry. (16) Schacht made a speech 29 November 1938 in which he stated, "with the help of its daring credit policy Germany created for itself a strong armament and this in turn had made possible success of our politics." He again states that he was satisfied with the results of the Anschluss and did not object to it nor to the annexation of Sudetenland. (32) He was always aware that all this would not have been accomplished unless the rearmament of Germany had taken place, because it forced appeasement policy (16), and prevented the Allies from withholding recognition of these acts (18, 19, 20).