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Defendant WALTHER FUNK
(Neumann rough draft, unedited)

E FUNK served until 1930 as editor of the Berliner Börsenzeitung, a rightwing conservative paper affiliated with the German Nationalist Party and supported by the Reichswehr. When dismissed from the paper because of corrupt dealings, he became Hitler's Economic Advisor. He was Chairman of the Economic Council and division chief in the Central Directorate of the NSDAP. In 1932, he was elected to the Reichstag on the NSDAP ticket. He used his intimate connections with leading businessmen to secure for the NSDAP the support of big business and thus was one of those chiefly responsible for the Party's seizure of power.

On 30 January 1933, Funk was appointed Press Chief of the Reich Government and on 13 March 1933, Undersecretary in the Reich Ministry of Propaganda and Enlightenment headed by Goebbels. In these capacities he was responsible for government press releases of international importance; after a reorganization of the Propaganda Ministry, his controls were extended to cover advertising, commercial exhibits and fairs. An Advertising Board of the German Economy was set up and headed by Funk. Funk also became head of the newly established Reich Broadcasting Company, vice-president of the Filmkreditbank and of the Reich Chamber of Culture, and by appointment of Goering, member of the Prussian State Council. He continued to report regularly to Hitler and took part ex officio, in all cabinet meetings. Throughout this period of his career, the defendant utilized his journalistic experience and abilities to propagandize Nazi economic doctrine.

Early in 1937, Funk received the Golden NSDAP Badge and

was appointed Schacht's successor as Reich Minister of Economics (15 January 1938). A year later, he became President of the Reichsbank and head of the Golddiscontbank (20 January 1939). The Ministry of Economics was expanded to include the administration of most of the controls established by Goering as Delegate for the Four Year Plan; on 14 December 1938 Goering charged Funk specially with the responsibility for issuing all directives necessary to increase the volume of production in the German economy. In August 1939 the administrative preparations for war were completed through establishment of the Ministerial Council for the Defense of the Reich intended to serve as war cabinet, Funk was appointed a member of the Ministerial Council and was made Plenipotentiary for Economy, a position which encompassed his powers as Minister of Economics and Reichsbank President and which gave him power to issue decrees countermanding the existing law.

In his capacity as General Commissioner for Economics, member of the Ministerial Council for Defense of the Reich and of the Central Planning Board, Funk exercised great influence over the formulation of the German policies carried out in the Reich and in occupied countries; as head of the Ministry of Economics and president of the Reichsbank, he implemented these policies through administrative acts.

Until 1943 he was in supreme control of German business acting under Goering's directives where the agenda of the Four Year Plan was concerned. His powers as Reich Minister of Economics included control over currency, banking and insurance; mining and industrial production; the organization of business; foreign exchange controls; foreign trade (in conjunction with the Foreign Office); cartels; wholesale and retail trade; and statistics.

The Ministry of Economics operated the Reichsamt für Wirtschaftsausbau which organized the expansion of selected war industries; the Provincial Economic Offices (Landwirtschaftsamter) which controlled distribution of consumer goods, coal and power; the mining offices (Bergämter); and the Reichsstellen which controlled the distribution of industrial raw materials. The Ministry of Economics held authority over the commission appointed before or after the outbreak of war to control industrial production in selected industries and the utilization of salvage materials; the Reichsvereinigungen, super cartels organized to strengthen government controls over specific industries; the Compulsory Organizations of the Lignite Industry set up to finance production of synthetic gasoline; the Examining Boards (Prüfungsstellen) which controlled exportation; the central institution of the savings bank system; all public banks and mortgage banks; and the German Clearing Bank. The Defendant's Ministry exercised supreme control over the corporative organization of all German economy. This included: the National Economic Chamber (Reichswirtschaftskammer); the Reichsgruppen and their constituent Wirtschaftsgruppen and Fachgruppen, which represented the functional organization of business; the Chambers of Commerce, Chambers of Industry and Trade, and Chambers of Handicraft all of which were later merged into the Gau Economic Chambers representing the regional organization of business.

In his capacity as president of the Reichsbank, Funk was in charge of the administration of gold and exchange reserves under German control; the issuance of currency and the extension of credit facilities; the stock markets and the money markets; and

affiliated institutions of the Reichsbank, namely the Golddiskontbank which subsidized exports, the Konversionskasse for foreign debts, the German Clearing Bank (Deutsche Verrechnungskasse) which engaged in international payments and transfers, and the Reichskreditkasse which issued occupation currency.

In the reorganization of the Germany economic controls of 1943, Funk's powers were reduced. He relinquished to Speer the control over industrial production and allocation of raw materials. At the same time, however, he gained control over the Finance Ministry.

In September 1943, Funk was appointed member of the Central Planning Board, a group of key men acting as Supreme Planning agency for the German economy. This board was the central agency for the planning of the German war economy. It decided upon the allocation of quotas; the utilization of businesses in occupied territories; the importation and utilization of foreign laborers, etc.

The defendant bears responsibility for the overthrow of the Weimar Republic; for the financing of rearmament and economic preparation for the war; and for the persecution of German Jewry. He is partially responsible for the organization and financing of the German war effort, and for the economic spoliation of German occupied countries.