The Indestructible Dr. Schacht

The president of the Reichsbank under Hitler, left free by various courts, has written a book indicating that his judges may have been hasty.

About a year ago, a group of Americans dining in a fashionable German restaurant were surprised to see most of the waiters desert their assigned tables to crowd around a well-dressed, bespectacled, white-haired man who had just arrived. After the bowing and scraping had subsided, the Americans found out that the magnetic customer was Dr. Hjalmar Horace Greeley Schacht. The waiters' awed response to him was a tribute to a long series of most remarkable achievements.

Hjalmar Schacht's technical genius in financial matters had won him an important post in Hitler's first Cabinet. From 1934 to 1937, he had been Minister of National Economy, and from 1933 to 1939, president of the Reichsbank, the institution which financed the secret rearmament of Germany and which later accumulated a hoard of gold teeth from the mouths of concentration-camp victims. At the Nuremberg war-crimes trial Schacht was one of the most prominent defendants, but his skillful lawyers, who made much of his alleged participation in the July 20, 1944, plot against Hitler, won him total clearance. Later several de-Nazification courts failed to lock up Schacht, and there is one more trial pending, for which hearings have not yet been held. Meanwhile, the apparently indestructible financier has participated in some high-level, though unofficial, economic conferences with western German officials. Most important of all, he has written a book, Settling an Account with Hitler (Abrechnung mit Hitler), which, in a low-priced edition, has run to three hundred thousand copies, and become one of the most startling German postwar best-sellers. Rounding out the roster of Schacht's distinctions is the fact that he spent the last months of the war in a Nazi concentration camp, which helped considerably to assure his several acquittals. In his book, Schacht refers to the Flossenbürg "extermination" camp; but he also mentions the fact that he had a radio in his barracks, a convenience that was not available to most other inmates.

As literature, Schacht's book is negligible. As a historical record, it is one of those volumes which, for the past hundred years, have persuaded Germans that every country in the world has chronically been out of step except their own.

In spite of these shortcomings, I recommend the book as an indispensable guide to postwar Germany, a unique Baedeker for any American traveler who hopes to understand the German scene—that political landscape of murderous precipices carefully hidden by smoke screens of respectability and Kultur. The book provides interesting evidence of the resilience of those German nationalists who have flourished during every regime since that of Wilhelm I, through the Weimar Republic, the Hitler dictatorship, the war (until it began to be lost), and the interregnum of the Allied Occupation. Settling an Account with Hitler is as important a book as the seventy-two-year-old financier is a man. Both are of vital significance as symbols. If you understand Schacht's book and Schacht's mind, you know that the German danger has not been averted by the suicide of Hitler. The book repudiates Hitler. Hitler's Nazism is dead, it says, but is adds at once: Long live Schacht's nationalism!

Schacht denies, of course, that he gave any aid to Hitler. He describes at great length the poverty and hopelessness that ravaged the Weimar Republic. He tells of unemployment, the foreign debt, demoralization, political...
strife, and economic chaos. And he explains all these phenomena simply:

"That was the work of democracy."

He points scornfully at the "democratic parties," and says triumphantly that they have not been able to cope with Germany’s problems. It follows, therefore, that they—and not the active and passive rightist parties—were responsible for Nazism.

Last year when Fritz Thyssen, the former king of Ruhr steel, appeared before a de-Nazification court, the prosecution introduced records of a meeting of Germany’s industrial and financial hierarchy shortly before the elections that pushed Hitler into power. One of the leading industrialists had said bluntly: "What we need now is a maximum of disorder." (This, of course, is the same disorder for which Schacht blames democracy and the "democratic parties.") The prosecution asked why Thyssen, one of the most influential magnates there, had not objected. Thyssen replied calmly, that he had, indeed, registered his disagreement, and when the court asked how, he said: "I shook my head."

Today the Schachtists, or the "non-Nazi" nationalists, proclaim again and again that they protested against Hitler by shaking their heads, if not by underground resistance. "You must keep in mind," a powerful Ruhr industrialist said in a private conference in Düsseldorf a few weeks ago, "that men like Schacht hated the Nazis, but joined in order to stop them." This man had himself been a "contributing member" of the S.S. He probably never wore the uniform; perhaps he never even wore the emblem of the National Socialist German Workers’ Party; but he put money into Himmler’s treasury at a time when the tramping of black boots and the flashing of S.S. daggers were powerful means of intimidation.

The Schachtists—and they included, of course, many officers of the German general staff—probably did dislike Hitler. He was vulgar, and his grammar was faulty. But they despised and feared democracy more, and they thought that they could control Hitler and use him for their own ends. They agreed with his aims sufficiently to overlook his methods. Today they condemn Hitler’s madness because it lacked sufficient method. The long-range aims of German nationalism remain just so much unfinished, but fully justifiable, business.

Schacht found no fault with the Nazi program. As a matter of fact, he saw in it the fulfillment of his own objective: the extension of German power. There was nothing in the Nazi platform, the naive nationalists maintain, that could have warned them of violence. There was no indication that anybody would be persecuted. The aggressive chants, heard shouted night after night by marching columns, "Today Germany is ours, tomorrow the whole world," and the cries of "Down with the Jews!"—neither of these penetrated Schacht’s "nonpolitical" consciousness. As for Mein Kampf, Schacht shrugs it off as "not an official party statement, but propaganda and fighting literature." He was disturbed less by the book’s contents than by its style, which, he says, "could only be regarded as a rape of the German language."

And there is the real difference between the genteel nationalists and the Nazis, a difference that became gradually more marked and even sent some of the Schachts and the Thyssens into concentration camps. The question was one of manners. "The half-educated" is Schacht’s most scathing comment for Hitler. "Any attempt to trace [Hitler’s] family gets lost in illegitimate births," he complains. "Little is known about Hitler’s childhood. Surely he must have lacked a good upbringing. . . . Once I looked at a little oil painting by Hitler’s brush which had been put up in the Thyssen home as a matter of curiosity. Its architecture was very badly drawn." To Schacht, a member of the natural ruling class, Hitler was a boorish little corporal, who had some useful ideas and a way with the masses: a promising tool, who, unfortunately, got out of hand. "During the war he remained a lance corporal for four and a half years," says Schacht, as if no more need be said.

Schacht’s account of the past also seems to be his guide to the future: to achieve the goals of German nationalism, leadership must be kept out of the hands of men of Hitler’s class.

Such must have been the thoughts of the prominent Ruhr industrial leader who, a few weeks ago, tried to convince me that the Nazis really represented the extreme left wing of German politics. One of the reasons why the "anti-Nazi" nationalists are "anti-Nazi" may be seen in Schacht’s sorrowful description of how he erred in judging Nazism. "All meetings and debates of those first months [of Hitlerism]," he writes, "indicated that the government did not consider or describe itself as national-socialist, but as national. Mentioned was always the national bloc, the national front, the national revolution —never a national-socialist one." Plainly, then, a national revolution against democracy would have been welcome. Plainly, too, such a revolution would be favored today by those nationalists who parade as the defenders of free enterprise and democracy.

It is best, perhaps, to ignore the indecent episodes of Schacht’s—and the
other nationalists—resistance against Hitler. Thyssen shook his head. Schacht set out to fool everybody by sounding more Hitlerian than Hitler. “More than ever before,” he recalls proudly, “I used Nazi phrases in my speeches in 1938. . . . The uninformed masses cheered when the merger with Austria, asked for by the Austrians again and again for two decades, became reality. The unpleasant form with which this merger was carried out went unnoticed in the rejoicing.” The opposition that the Schachts were hiding behind the brave Nazi phrase was opposition to Hitler’s “form” and manner, never to his principles. When the conspirators took up arms in 1944, many of the respectable right-wingers merely grasped at this last opportunity to desert the ship now that it was about to sink, just as they had at first helped hoist the sails for conquest.

In 1941, Schacht, according to his own report, advised Hitler to use all diplomatic means to end the war. He told the Führer that the time had come to stop “on the peak of his military success.” By his own admission, Schacht knew that Germany was “not sufficiently prepared economically for a long war.” One year earlier, in 1940, the financial wizard had even offered to go to the United States in order to “slow down America’s aid program to British armament.” There is every indication that the plans of the refined nationalists were simply more subtle, and therefore, perhaps, even more dangerous than those of the lowly corporal. Today this nationalist group has not only begun to rally; it has more funds, cleaner shirts, and, of course, more graceful table manners than Hitler’s victims. Moreover, its members have usurped the halo of anti-Nazi conspiracy, and wear it jauntily.

Schacht maintains that as long as he was in office the economic rights of the Jews were protected. Aside from the falsehood of this statement, it is significant that Schacht favored giving the Jews of Germany the same “rights” as would be granted to foreigners—a highly doubtful privilege in Nazi Germany. He expresses horror over the murder of millions of Jews, but he declares: “My attitude toward the Jewish problem has always remained the same. I have always regarded it as contrary to the best interests of the Jews themselves that cultural key positions were coveted by them. . . . Cultural policy in a Christian state must not be exposed to non-Christians. . . .” When Hitler proclaimed a gigantic collective fine against all Jews, and it was found that the money could be paid only if additional banknotes were printed, with Jewish property as their support, Schacht recalls: “An ice-cold sensation went down my spine.” Was this a reaction to the monstrosity of the injustice? No, simply the financier’s terror: “We had arrived at the printing of worthless money.”

With monotonous similarity the non-Nazi nationalists, from the pathetic old Thyssen to the vigorous new leaders of the Ruhr, keep repeating that they are not politicians, know nothing about politics, and regard themselves as “just plain businessmen.” Then they discuss national and international economic policies that make Hitler’s geopolitics sound like a beginners’ course. Schacht himself, formerly an advocate of German colonial expansion, a few weeks ago told an interviewer from the New York Herald Tribune that Germany should become the instrument of President Truman’s plan to develop backward areas. Link that with Schacht’s expressed admiration for “the sensible policy of Bismarck.”

All the nationalists—after loud condemnation of the Nazi interlude—call for a return to the day just before yesterday. They do so, not because they loved the struggling Weimar Republic, but rather because the democracy of that period was too harmless to disturb the pattern of their own power and dreams. If only the clock could be turned back, they feel, they would have the sense not to fall for a “half-educated” upstart again. This time the legitimate children of the ruling caste would fend off interlopers.

Any move, therefore, to break up the status quo is violently attacked. Mention re-education, and Schacht answers: “One ought to keep in mind that the German people from Charlemagne (Karl the Great) to the French Revolution had been culturally the dominating and leading nation of Europe.” Mention reorientation, and Schacht answers: “The ideas of race, leadership principle and militarism have not been taken seriously by as many as five per cent of the population. The people themselves have shown nothing but sympathy for the Jews, persecuted by the party. . . . The Nürnberg trial has not offered any proof that the mass of the German people had anything whatsoever to do with the Nazi ideology which has been formulated (sic) by the prosecution.”

There is a dangerous temptation for American observers to swallow the German rightists’ defense of the pre-Hitler status quo. The temptation arises out of the false equation of the American conservative with the German nationalist. The fallacy is in the fact that the American wants to preserve a status quo that is already democratic; the German wants to re-establish the springboard from which any democratic opposition to the authoritarian, caste-ordered state can be destroyed. There is a great temptation to say, amiably, that politics is politics—whether the scene is Germany or America. Schacht exposes this fallacy simply: “Only people with full stomachs are democrats.” But lest we be tricked into accepting these deceptive apologies, it should be recalled that, under the Greater German Way of Life, many western European democrats managed to hold onto their ideals on very insufficient diets.

Although Schacht refuses to take even an infinitesimal part of the responsibility for Germany’s wrongs, he constantly manages to stress his own prominence. In this he is symbolic of all German nationalists: They reject the idea of Germany’s guilt; but at the same time they see Germany and German problems as paramount.

In Schacht and the nationalists there is a surface veneer of piety and Kultur. Twin trademarks of these men’s outlook—both are just as hollow and dishonest as the disavowal of “politics” by people who have freely offered their economic power and genius to a political oppressor and a military aggressor. Their “resistance” developed only when Hitler—presumably their willing tool—showed he had a mind of his own and made them, too, his slaves. His sin, however, became unforgivable only when he staggered into defeat. Failure was the supreme crime. Bad manners and “half-education” were the real horrors. The corporal—almost alone—is guilty. He lost. He lacked Kultur.

—Fred M. Hechinger
A Party in the Ruhr

Some of the Reich's old armorers admire our methods, but are ready to do business with Russia if we don't provide them with markets.

An Englishman who had spent many years in Germany gave me a friendly bit of advice in Düsseldorf: "If you really want to know what is going on here, talk to businessmen. You can ignore the politicians. They are just mouthpieces, who don't always understand the real forces behind them, but the 'economic elite' [by which he meant the businessmen] are shaping present-day Germany."

This seemed sound advice, and I took it. I roamed the Ruhr and the Rhineland, and talked to merchants, entrepreneurs, bankers, and manufacturers.

I had met Herr B., a machine-tool manufacturer employing about three hundred workers, a few years ago when I was in military government. One Sunday afternoon I went to his villa, and we had a long talk. He was, as usual, immaculately dressed. He admitted that business was excellent. I saw hundreds of empty wine bottles neatly stacked against a wall in the garden, and he told me that his cellar was full, as usual. Everything was going fine, but he would have liked a bit more export trade. He wished the British would relax some of their controls, as he could have sold plenty abroad. Still he didn't want to complain: The plant was operating on three shifts. No, he had no trouble with labor. The workers were docile and cooperative, though he could not deny that they earned just enough to live on.

At this point his father came in—an old gentleman with a Hoover-type collar, a goatee, and lively blue eyes. Half a century ago he had founded the business that his son was now running, and he still kept a shrewd eye on it.

"Well, well, well," he exclaimed. "So we have an American visitor, how interesting. . . . Always did want to meet Americans. Why? I'll tell you why, young man. Because they're smart. Real horsetraders, that's what they are. You deal with them, and if you're not quick and sharp you lose your pants to them. Look at the way they came out of this war. Everybody was ruined, but the Americans ended up with all the money in the world. Kolossal!" His son tried to nudge him into silence, but the old man would not stop. "Don't shush me, son; you always say the same thing I do, so why aren't you frank with your visitor? Truth doesn't hurt anybody," he said. "Die Amerikaner will end up owning the world. What smartness! What cunning! I say, let's learn from them."

While America is the businessman's model, Britain is his object of scorn. For one thing, he knows that the British standard of living is lower than the German. For another, he considers the British unfair competitors and economic inferiors. Germans find a grim Schadenfreude in the fact that the British victors eat less than they, the defeated. Opinion is practically unanimous that the British went to war with Germany twice for one, and only one, reason—fear of German competition in the world markets. Moral or strategic reasons are ignored. All over Germany one hears a repetition of the same argument: "The British industrial system is antiquated and its world-market position is based upon privilege. Given any kind of a chance, we can outproduce and outsell them everywhere. They know it and so they fear us. That is why they are determined to destroy us. That is why they are now dismantling our industrial plants."

This line of thinking, it must be admitted, antedates Hitler and Goebbels. It has deep historic roots, going back to the days of old imperial rivalries.

Has there then been no change in the German mind? I believe that the business community has changed in one essential—it has reduced the scale of its ambition. Responsible Germans no longer think of conquering the world; but they are certain they can dominate Europe, at least economically. They are aware that the earth is now shared by two super-powers. But they know that they have the finest and most productive industrial plant in Europe—and that they have a wonderful bargaining position between the two super-powers.

This was brought home to me by a group of Ruhr-Rhineland industrialists and businessmen. A textile manufacturer, whom I had known during the war days, phoned to ask whether I was willing to meet some of his business associates at a private party in Düsseldorf. They were anxious that I should hear the "objective point of view" of German businessmen.

We assembled after dinner in the