

*Please return
this afternoon to Corp. Schneider
M. Donovan*

INTERROGATION OF SCHACHT BY CAPT. NORDON AND
DR. VON SCHLABRENDORFF - 31 October 1945

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Schacht made the following statements:

He admits breaking the Versailles Treaty. He admits financing limited armament of the Reich. He strenuously denies any and all war mongering. He denies financing Germany's rearmament for war purposes. A completely disarmed Germany in the center of Europe - a vacuum in the center of Europe - was utter nonsense, according to Schacht. For that reason, he financed limited armament of Germany to bring her up to par with her neighbors. He never financed any armament for aggression. On the contrary, when he noticed Hitler's intention of getting involved in war, he plotted his first Putsch against Hitler. He felt limited armament was justified in order to make her equal in the family of nations and enable her to carry on a foreign policy on equal footing respecting breaking of the Treaty of Versailles. He stated that International agreements always terminated in two ways: Either by the breach, or by modification. The latter was the case of Germany and as proof he refers to the Naval Treaty with Great Britain which simultaneously broke the treaty and ratified the breach. He reiterates the point that although he financed rearming of Germany up to par with her neighbors he definitely and positively refused rearming Germany beyond that point for aggression. As a result, he was dismissed by Hitler. Respecting his position he refers to the book of U.S. Ambassador Joseph Davis "Mission to Moscow." He also states that Roosevelt sent him at the outbreak of the war between the United States and Germany a message stating that he should sit tight - that America will need him after the war.

Schacht states that he was never a member of the Reichstag or the Party. There were no cabinet meetings after 1938 and matters of foreign policy were never discussed by the cabinet.

Respecting his proofs, he buried a box (Kasette) containing important papers dealing with his anti-Hitler position. This "Kasette" is in possession of the Russians. Von Schlabrendorff has a letter* supposedly dated 30 November 1942 which he sent to Goering which is of importance. He wonders why in all his interrogations he was never questioned about the so-called five secret meetings in which the War was planned. He accuses Brauchitsch, Guderian, and Manstein of taking money for their cooperation and subservience; they bought estates in East Prussia with that money. Schacht says that in the Fritsch affair, prior to Fritsch's execution, he appealed to Brauchitsch, Rundstedt, and Raeder to put a stop to the matter but they shrugged their shoulders and would do nothing in the matter. He states that he has no particular regards for Brauchitsch and would testify against him. With regard to Halder, he considers him honest, decent, but weak ("a little guy"). General Wagner, Quartermaster General, called on him just prior to the invasion of Belgium and tried to interest him in taking over the financial direction of Belgium upon its occupation. He refused and threw Wagner out.

He gives specific instances of aiding the Jews inside Germany as well as assisting them in escaping Germany with their lives and many times with their money too.

Respecting Diels, he considers him an extremely sly man and a man without conscience - an out-and-out rogue. Schacht states that Goering boasted to Warlimont that he (Goering) fired the Reichstag Building.

In connection with his defense Schacht will use two main witnesses, namely Gisevius, and Frau Struenk. Schacht requested us to assist him in getting these witnesses and various political papers needed for the defense. Schacht wants Dix to be his defense counsel and in addition he wants a substitute or a local representative for the time when Dix will be out of town. This local counsel is to be familiar with International law, preferably an English or an American lawyer.

Schacht complained bitterly about the treatment in prison and he contrasts his alleged mistreatment at the present time with the gentlemanly treatment previously accorded him by the British.

* Translation of Schacht's letter to Goering of 3 November 1942 attached.