H-Net Reviews
in the Humanities & Social Sciences

John Weitz. *Hitler's Banker: Hjalmar Horace Greeley Schacht.* New York: Little, Brown and Company, 1997. 361 + xii pp. $29.95 (cloth), ISBN 978-0-316-92916-5.

Reviewed by Milton Goldin (National Coalition of Independent Scholars (NCIS))
Published on H-Antisemitism (March, 1998)

The father of a former client of mine was a Jew who had converted to Catholicism, a Swiss banker, and a confidant of Hjalmar Horace Greeley Schacht. I requested copies of correspondence between the father and Schacht, and I received eight items. The first letter dates from just after Schacht's resignation as president of the Reichsbank, in March 1930. (Schacht did not want to hold a position of authority in the Weimar government when the Republic's house of economic cards inevitably collapsed.) The last item dates from just after a far right encampment in Bad Harzburg (October 1931) at which Hitler and Schacht were speakers.

The letters admit of no historic discoveries and no new, startling details about already familiar subjects. On the other hand, they encapsulate what several writers, including John Weitz, go to great lengths to tell us about Schacht, a man bereft of any deep conviction except for total devotion to the advancement of his career. Schacht's "enthusiasm for the right" is no greater than his "earlier enthusiasm [sic] for the left." Although careful *not* to join Hitler's *Nationalsozialistische Deutsche Arbeiterpartei*, he seeks any and every opportunity to play friendly advisor to him. Schacht comes through in these letters as a walking advertisement for the banality of evil.

Weitz tells us that at Schacht's first meeting with Hitler, the future chancellor "seemed quite unaffected and modest, considering ... that he was the leader of Germany's second-largest political party" (p. 116). Almost immediately, however, it crossed Schacht's mind that Hitler had an "absolute conviction that he was right and ... a determination to put his ideas into action. He was a true fanatic and a born agitator" (p. 116).

Hitler, whose evil was never banal and who had an uncanny ability to size up friends and foes alike, also had an immediate reaction to Schacht: "He is a man of quite astonishing ability and is unsurpassed in the art of getting the better of the other party. But it was just his consummate skill in swindling other people which made him indispensable at the time," the Fuehrer later told listeners during one of his after-dinner monologues.[1]

So much for how the two principal characters in *Hitler's Banker* appraised each other. As for the salient features of Schacht's pre-Hitler career, Weitz writes that the "Horace Greeley" portion of Schacht's name came from the immense influence that liberal publisher of the New York *Tribune* had had on his father and mother, after their 1871-1876 emigration from Germany to the United States. Hjalmar, born shortly after their return to Germany, was a surprisingly indifferent mathematics student. The mature Schacht later explained that his extraordinary abilities as a banker (or swindler, in Hitler's view) stemmed from his understanding of psychology, grasp of economics, and common sense, none of which had much to do with mathematics. Above all, the nature of credit, central to Schacht's financial "wizardry," does have far less to do with numbers than it does with what negotiating parties know about each other.

Weitz's biography is not for scholars. His sources are secondary works and interviews, fifty years after the events, the most important of which are with Schacht's second wife, and daughter. Nonetheless, his reliance on what has been known by historians for decades (except for what the two women told him) should *not* be considered a defect. Weitz's purpose is not to present Schacht in a new light or to correct inaccuracies in the published record; he wants to give general readers an overall understanding of who Schacht was and how he fit into the Third Reich. This is surely a valid objective.

The problem with the approach is that it can leave critical questions unasked and unanswered. "Under the Nazis, [Schacht] built the economic and financial juggernaut that underwrote Hitler's military machine," the dust jacket tells us. But from the perspectives of Big Business and the Reich, National Socialism's greatest financial rewards came after, and not during, Schacht's simultaneous stints as president of the Reichsbank and economics minister (July 1934 through November 1937).

More specifically, and in the context of his services to Hitler, the argument has been made (Weitz makes it again on page xi) that "Schacht's early endorsement and subsequent know-how legitimized Adolf Hitler and eventually helped him fulfill his many promises to the German people." But how true is this? Moreover, what did Schacht actually accomplish on Hitler's behalf that made him so important?

To begin with, the immediate aftermath of the NSDAP's *Machtergreifung*, in January 1933, set off a tragicomic economic confusion in one of the world's most advanced industrial nations. No one, including Schacht, knew what a National Socialist economy was supposed to look like. The radical wing of the NSDAP, led by Ernst Roehm, seemed to be demanding a Second Revolution, well before a first one had taken place, and frightened the business community. Various Party organizations (including Roehm's SA, which considered itself an autonomous National Socialist armed force) roamed the country extorting money and jobs from businessmen and each other.

Hitler set the scene for recovery on June 30, 1934, by clearing out Roehm and the SA during the Night of the Long Knives. He then asked Schacht to take charge of the economy. In company with the NSDAP's treasurer, Franz Xaver Schwarz, who audited Party expense accounts and business dealings of *alte Kaempfer*, Schacht totally (but only temporarily) discombobulated fervent National Socialists with the imposition of price and wage controls and other restrictive measures that no other government excepting Russia would have dared even discuss. Finally, with a straight face, Schacht told foreign bondholders–whose money had largely financed Germany during the 1920s–that they would not be paid dividends or payments of principal, but that this decision need not interfere with world trade.

Weitz tells us little about the confusion and offers up much too brief an account of Schacht's New Plan, a triumph of sheer chutzpah and credit manipulation rather than profound economic insight. Put bluntly, Schacht's New Plan was an out-and-out international con game. An example: At the height of the New Plan, in 1935, to raise cash Germany imported coffee from Brazil and resold it to other European powers at lower prices than those charged by Brazilian exporters. Countries exporting food and raw materials to the Reich had to accept payment in marks that could only be spent in Germany. What could these marks buy? Obsolescent military equipment, surgical items, and harmonicas headed the list.

Jews in Germany and abroad were critical to Schacht's success. Not only were they important in international and domestic finance and commerce, but if a worldwide boycott of German products had succeeded, results for the Third Reich would have been disastrous. German Jews considered Schacht a friend because he attempted to mitigate their deteriorating economic situation. Weitz tells us that Schacht actually reasoned that violent "developments would be internationally counterproductive for the Reich" (p. 194) and would destabilize exactly what he was trying to accomplish. This is an accurate assessment. But what is then difficult to accept is Weitz's view that Schacht was so "thoroughly revolted" by the Crystal Night that he brought up the idea of ransom to save the Jews.

Why not accept this view? Because "revolted" as Schacht may have been, his real interest in 1939 was less in saving Jews than in re-ingratiating himself with Hitler. Earlier, he had thoroughly upset the Fuehrer with a flat declaration that there was no more money for rearmament. What Schacht then advocated was a ransom of Jews whose conditions would include the establishment of a trust fund financed by "international Jewry" working under Nazi supervision, and a demand that wherever Jews emigrated they must create markets for German products. Hitler approved and permitted Schacht to travel to London to meet with American and British Jews to make an offer that came to nothing–for the obvious reason that few countries wanted refugees and no country would permit them to create new markets for the Third Reich.

At the Nuremberg trials, Schacht sought not only to separate himself from the *Schweinerei* (his description of Nazis), among whom he was seated, but to absolve himself of complicity in war crimes. And the sad fact is that the court acquitted him, not only because the case against him was handled incredibly badly but because he successfully argued that he was never a member of a criminal organization–given that he had never joined the NSDAP until he was figuratively compelled to do so. He also successfully argued that although he had believed that Jews held too many positions of power in Weimar Germany, he had made attempts not only to salvage what he could of their economic life but to find some way to help them emigrate.

Which leaves us with a major problem that Nuremberg could not solve and that Weitz does not address: How do we define "war criminal?" Is it one who actually commits a criminal act? Is it one who is acknowledged to be only a cog in a monstrous conspiracy? Is it one, as

in Schacht's case, who makes criminal activity economically possible? Or is it all of the above and even more?

When we have a better understanding of the economic overtones of the Holocaust, why certain developments took place at certain times will become clearer. With reference to antisemitism in general, a better comprehension of the role played by economics in hatred of Jews could be an invaluable guide–not only to history but to understanding our own times.

Notes:

[1]. *Hitler's Secret Conversations 1941-44.* New York: Farrar, Straus, and Young, 1953. p. 350.

Copyright (c) 1998 by H-Net, all rights reserved. This work may be copied for non-profit educational use if proper credit is given to the author and the list. For other permission, please contact H-Net@H-Net.MSU.EDU.

If there is additional discussion of this review, you may access it through the list discussion logs at:
http://h-net.msu.edu/cgi-bin/logbrowse.pl.

Citation: Milton Goldin. Review of Weitz, John, *Hitler's Banker: Hjalmar Horace Greeley Schacht.* H-Antisemitism, H-Net Reviews. March, 1998.
URL: http://www.h-net.org/reviews/showrev.php?id=1861

Copyright © 1998 by H-Net, all rights reserved. H-Net permits the redistribution and reprinting of this work for nonprofit, educational purposes, with full and accurate attribution to the author, web location, date of publication, originating list, and H-Net: Humanities & Social Sciences Online. For any other proposed use, contact the Reviews editorial staff at hbooks@mail.h-net.msu.edu.