

**HITLER'S**

# **HITLER'S SECRET BACKERS by Sidney Warburg**

## **EDITOR'S INTRODUCTION**

The book you are about to read is one of the most extraordinary historical documents of the 20th century.

Where did Hitler get the funds and the backing to achieve power in 1933 Germany? Did these funds come only from prominent German bankers and industrialists or did funds also come from American bankers and industrialists?

Prominent Nazi Franz von Papen wrote in his MEMOIRS (New York: E.P. Dutton & Co., Inc. 1953) p. 229, "... the most documented account of the National Socialists' sudden acquisition of funds was contained in a book published in Holland in 1933, by the old established Amsterdam publishing house of Van Holkema & Warendorf, called DE GELDBRONNEN VAN HET NATIONAAL SOCIALISME (DRIE GESPREKKEN MET HITLER) under the name 'Sidney Warburg.'

**The book cited by von Papen is the one you are about to read and was indeed published in 1933 in Holland, but remained on the book stalls only a few days. The book was purged. Every copy -- except three accidental survivors -- was taken out of the bookstores and off the shelves. The book and its story were silenced -- almost.**

**One of the three surviving copies found its way to England, translated into English and deposited in the British Museum. This copy and the translation were later withdrawn from circulation, and are presently "unavailable" for research. The second Dutch language copy was acquired by Chancellor Schuschnigg of Austria. Nothing is known of its present whereabouts. The third Dutch survivor found its way to Switzerland and in 1947 was translated into German. This German translation was in turn found some years ago by this editor in the Schweizerische Sozialarchiv in Zurich, along with an affidavit by the three Dutch-to-German translators and a critique of the book. This editor made copies of the German text and commissioned an English translation. It is this translation that you will read here. Even allowing for the double translation from**

**Dutch to German and German to English, the original lively style is essentially retained. The book is not by any means dull reading.**

The original book FINANCIAL ORIGINS OF NATIONAL SOCIALISM was branded a forgery. However, since 1933 numerous pre-war German government files have become public information, including the captured German Foreign Ministry files and the Nuremburg Trial documents. These confirm the story at key points.

For example, in the book, Sidney Warburg claims to have met with an obscure banker von Heydt in 1933. We now know in 1982 from the German records that in 1933 the Dutch Bank voor Handel en Scheepvaart N.V., was a channel of funds for the Nazis. The earlier name for this bank was the von Heydt Bank. Coincidence? How would Sidney Warburg know in 1933?

**There are other links. We now know that the German combine of I.G. Farben was a financier of Hitler, and Paul Warburg was a director of American I.G. Farben. Further, Max Warburg was a director of the German I.G. Farben. Max Warburg also signed the document appointing Hjalmar Schaht to the Reichsbank -- and Hitler's signature appears alongside that of Max Warburg.**

**Yet the Warburg family denied any link to Hitler.** The Warburgs branded the book a forgery and threatened the publisher unless it was removed from bookstores. In any event, the Warburgs are not accused directly. "Sidney Warburg" was only the courier. In fact, all the bankers named are gentiles, not Jewish.

In 1949 James P. Warburg made a sworn affidavit which compounds the mystery. Warburg denied he had even seen the "Sidney Warburg" book, yet branded it as a complete forgery! Furthermore, careful reading of the James Warburg affidavit shows that his denial refers to another book published by one of the translators, Rene Sonderegger, and not the "Sidney Warburg" book. **And just to deepen the mystery, this Warburg affidavit is published in Fritz von Papen's MEMOIRS -- the very same source that recommended Sidney Warburg as a source of accurate information on the financing of Hitler (and Papen was, of course, a prominent Nazi).**

Even today in 1983 a mystery surrounds the document. There is a ring of authenticity about the original explanation for its publication -- that an individual member of the Warburg family wanted to warn of the coming European war.

### **WHO'S WHO IN THE BOOK**

"Rockefeller" -- John D. Rockefeller II

"Carter" -- John Ridgley Carter, married Alice Morgan, connected to Morgan interests in Paris.

"Deterding" -- Henri Deterding, head of Royal Dutch Shell and strong Hitler supporter

## DOCUMENTATION

Concerning

## THE FINANCING OF POLITICAL EVENTS

For the Archives of the

Schweizerischen Landesbibliothek

February 11, 1947

## **EXPLANATION**

The undersigned three witnesses do verify that the accompanying document is none other than a true and literal translation from Dutch into German of the book by Sidney Warburg, a copy of which was constantly at their disposal during the complete process of translation. They testify that they held this original in their hands, and that, to the best of their ability, they read it sentence by sentence translating it into German, comparing then the content of the accompanying translation to the original conscientiously until complete agreement was reached. The original book is titled: De Geldbronnen van het Nationaal-Socialisme, Drie Gesprekken met Hitler, Dr. Sidney Warburg, vertaald door I.G. Shoup (sic), it has the mark of the publishing house "Vol Hardt En Waecht" and appeared in the year 1933 in Amsterdam as a brochure consisting of ninety-nine pages of text, put out by Van Holkema & Warendorf's Uitg. -- Mij. N.V.

Zurich, Switzerland, February 11, 1947

Dr. Walter Nelz

born March 4, 1909, citizen of Zurich

Willhelm Peter

born July 28, 1906, citizen of Gottingen

Rene Sonderegger

born January 16, 1899, citizen of Heiden

Issued in three copies for the undersigned, with an additional two copies, one of which is made available to the Schweizerischen Sozialarchiv in Zurich and the Schweizerischen Landesbibliothek in Bern.

Sidney Warburg:  
The Financial Sources of National Socialism.  
Three Conversations with Hitler  
Translated by J.G. Schoup  
van Holkema & Warendorf, Publishers, Amsterdam, 1933, 99 p.

### **HOW IT HAPPENED ...**

Sidney Warburg said very little, as long as the guests were present. He was alone with me now and he began to talk about the Sinclair scandal.

"There are moments when I want to run away from a world of such intrigue, trickery, swindling, and tampering with the stock exchange. Every so often I mention these things to my father as well as to other bankers and brokers. Do you know what I can never understand? How it is possible that people of good and honest character -- for which I have ample proof -- participate in swindling and fraud, knowing full well that it will affect thousands. The powers in Sinclair Trust have brought in millions of dollars to Wall Street, but ruined thousands of savers. When one questions the reasons for the dishonest and morally indefensible practices of financial leaders one never gets an answer. Although their private lives are orderly and good, it can't be that they discard their true characters as soon as they enter the financial world, forgetting all concepts of honesty and morality in favor of money, sometimes millions of dollars."

**The struggle of conscience visible in these words of Sidney Warburg, son of one of the largest bankers in the United States, member of the banking firm Kuhn, Loeb & Co., N.Y., is the tragedy of his life. He was never able to free himself from his connections with that milieu, whose deepest motives he could never completely grasp.**

Those words, spoken in 1928, perhaps explain what I asked myself in 1933, why he finally decided to tell the world how National Socialism was financed. In doing so he dutifully did not shove his own role into the background, but confessed his personal participation honestly.

When I received the manuscript from him, along with the request to translate it, I felt that the tragedy in the author's life had reached a final point, forcing him to make the honest confession contained in the following pages. This is the first step towards inner freedom that I wish for him from all my heart, because he has the courage to say in front of the whole world: "They made it possible, but I was their cowardly errand-boy!"

If the "poorworld" and "poor humanity" -- words with which the author ends his work -- do not understand his cry, then his admission was an act of courage, which was necessary to make it. To have this courage means to break with old circles and to expose former friends to the world as men without conscience, especially while revealing one's own full, undisguised participation in the process.

October 1933 The Translator

## **1929**

Money is power. The banker knows how to concentrate and manage it. The international banker carries on international politics. He is obliged to do this by the central government of the country in which he is settled, because the government influences the bank of issue. In other countries this is called the national bank. Whoever understands what was concealed behind the word "national" in the last few years and what is concealed there still, also knows why the international banker cannot keep himself out of international politics. The American banking world had been developing for months at a brisk tempo. We were experiencing a boom, and we knew it. Pessimists predicted a sudden fall, but every day we wrote out larger orders, and Wall Street itself made fun of the pessimists. Wall Street gave money to the whole world -- even the far-away Balkan Peninsula, whose states we had heard named in school and had long forgotten, received credit, their obligations were sold, speculators pounced on them and the rate of exchange rose. **Political economists are still not in agreement today, 1933, as to why the pessimists were right about specifically 1929, not a year earlier or later. 1929 was the beginning of a miserable epoch for Wall Street, which has still not ended.**

The rate of exchange did not collapse, the usual term for a decline, but simply plummeted, and in a few weeks the credit-mania in New York was completely over. Agents from credit-seeking European states had to go back home empty-handed. America seemed to have no more money. In hard times it is the custom here for men in power not to keep their views silent. The leading newspapers published interviews with Hoover, McCormick, McKenna, Dawes, Young and numerous others, but it didn't help us on Wall Street. We were living in hell.

Whenever one was called to answer the phone, upon one's return, the prices for steel, Anaconda, Bethlehem, and the leading oil companies had fallen by ten to twenty points. The fall in share prices attracted everyone, whether they wanted it or not, and I know many a serious, respectable banker of excellent reputation, who considered speculation on the rates of exchange to be criminal, but then went ahead and participated himself. He would do this openly, without asking his broker to camouflage his orders or keep them secret from the market.

I said already that we were living in hell, Now, 1933, one remembers those days, but no one can picture the actual situation without having lived through it. We can't forget that the whole world looked to Wall Street, and that London, Paris, Amsterdam, Berlin -- all were involved in the tension New York lived in. For that reason the crash on Wall Street had international significance.

I leave it to others to uncover the causes of the sudden crash. I only want to describe briefly the state of American finance in 1929. Without a look at it, the following would be largely incomprehensible to my readers.

The Federal Reserve banks had huge sums standing in Germany. Credits in Germany had been frozen since the dissolution of the Darmstadter and National Bank, the crash of Nordwolle, the reorganization of the D -- banks (Darmstadter, Deutsche, Dresden, Dusseldorf), the issue of the Young-Obligations, and the founding of the bank for international payments. The case was the same in Austria after the crisis in the Kreditanstalt. French, Belgian, Rumanian and Italian war debts were still being settled, but various debtor-states began to request alterations in annuities and rates of interest at every opportunity. Years earlier the French war debt had been arranged at very convenient stipulations that proved to be all too favorable for France. **In short, the United States had in 1929 claims on foreign governments as well as private persons abroad amounting to 85 milliard [1] dollars.** This was in April. The American banking world had never been enthusiastic about Wilson. Bankers and financiers viewed his idealism as good enough for the study, but unsuited to the practical, international world of business. For that reason Wall Street had never been very happy about the Treaty of Versailles, which had been constructed along Wilson's guidelines. **This treaty had been formally turned down because France was favored in it for no reason. That was the feeling in 1920, in 1929 it had grown into open hostility. Even though the original agreements had been altered in the meantime in numerous ways (Dawes Young, etc.) the fact still remained that France, according to the American banking world, held the key to the economic recovery of Germany because of its favorable position with regard to reparations, and because of its claim to receive these in gold instead of in goods.** As soon as one realizes that the well-being of America as well as Great Britain, even the whole world in fact, depends on this economic recovery, then it is clear why the Americans tried to promote the economic construction of Germany and Middle Europe through credit. But France threw a wrench into their plans, because whatever America advanced Germany, either directly or through London, or whatever London itself gave directly found its way sooner or later to France in the form of higher reparations. Germany could not export enough to achieve a trading surplus that would cover its reparations to France. Therefore it had to pay its debts from its capital, but this capital had been advanced in the

**form of large credits from America and England. The situation became intolerable. Germany could not continue its unlimited acceptance of foreign currency, and America and England could not lend unlimited amounts.**

America's foreign claims had been, for the most part, frozen in Germany, Austria and Middle Europe because of the previously described difficulties. 85 milliard [2] (sic) dollars are no trifle even for a country like America. 50 to 55 milliard dollars of this were, according to definite estimates, frozen and the rest was in no way secure, because **one had reason to doubt the good will of the former allies -- with the exception of England -- regarding the repayment of debts to America.**

At this point we must go back a ways into postwar history. Ever since the first days after the signing of the Treaty of Versailles, France regarded its stipulations as permanent and sacred, not because of sentimental considerations but out of comprehensible self-interest. However hard it has been in past years to convince the French governments and French financial experts in speech and in writing that more was demanded of Germany than it could give according to the stipulations of the treaty, this point of view never gained entry into leading circles in Paris. As long as the French are not convinced of this truth, international cooperation is not possible. A world economic conference is being held this year in London. I wouldn't bet a single nickel on its success, if the French government does not substantially change its position. In all the negotiations that have been held since 1920 to change the Treaty of Versailles, France has consistently guarded against a reduction of the reparations due her. Several reductions were put through in spite of this, but France never asked for more than she could not possibly receive, and even knew how to gain advantages for herself out of reductions. France, then, received, also due to the acceptance of the Young Plan, the largest portion of the annuities without any conditions attached, and managed to maintain her resultant superiority over Germany. **I do not judge France's behavior. Politicians and financiers in France were subject to the belief that the possibility of a repetition of 1914 should be kept open and that they should try to anticipate the danger; to them a prosperous Germany increased the possibility of such a repetition. (The Germans were always the robber barons in Europe and will always be, just as in the Middle Ages.) Germany, according to French belief, must remain economically weak. But the world needs a prosperous Germany, America more than anyone else. Why? Look for the explanation in works on political economy, in examples of practical, international economy, in fat books on the subject containing much idiocy, all betray a complete lack of insight into reality. Political economists are, first of all, primarily academics. They are familiar with banks, factories, business offices, stockmarkets, but only from the outside. Don't forget that when Wilson was still a professor at Princeton, he was known in America as the best political economist. But I have**



strayed from the subject. We must remember: France does not want a prosperous Germany out of concern for her own security; America and England, however, need a healthy Germany, otherwise both can't be prosperous. In order to keep Germany down economically, **France makes use of her claim to reparations, which everyone set at much too high a price, due to Wilson's lack of common sense** and to the excitement of victory from 1918-20, and they became an unbelievable burden on Germany. All German governments stood between the frying pan and the fire: demands from foreign countries (mainly France) on one side, and anger from within on the other. If they fulfilled the foreign demands, then the German people cried treason -- reproaches and accusations from the people can ring very loudly -- if they resisted, then a French military occupation threatened. The adventure in the Ruhr came about in this way. It proved to be unsuccessful for France and she gave up additional attempts, but found other ways to make advantageous use of her reparations claim. I cannot explain all of French political strategy in this brief presentation. I would only like to add that France knew how to fight stubbornly against every reduction of reparations, or how to accept reductions if they could be replaced with other advantages. As long as France could bring in its demands for reparations, as long as American and English loans to Germany did not suffice to ensure its economic reconstruction, then this reconstruction had to fall to pieces on the requirements of the Treaty of Versailles.

**No one will be surprised when the financial world in America looked around for other means to checkmate France on this issue.** If the weapon of reparations could be knocked out of her hands, then Germany could put its economy back on a sound financial basis with help from America and England, and open the door to prosperity to the two largest countries in the world. In June, 1929 a meeting took place between the Federal Reserve Banks and the leading independent bankers of the United States. I found out only later what direction this exchange of ideas took. But first I will go into the international world of oil. **There is, namely, an international oil world just as there is an international banking world; that must certainly be known to you. Oil kings are voracious men. Standard Oil and Royal Dutch are good friends. Both of these enterprises have divided the world into districts, and each has certain numbers reserved for himself. Each enterprise is complete master of the territory allotted to him. These people have amassed great profits through the years in this way.** But Soviet Russia then spoiled everything by introducing strong competition against Standard Oil and Royal Dutch. Since that time the companies make only six to seven percent profit from their capital, but that isn't enough to satisfy the directors' greed. **The Russian competition was especially successful in Germany, because various German governments made overtures to the new leaders of Russia, trying through credits, etc. to allow Russian oil and gas easier access to the German market over any other country.** Be patient for a few more lines, and you

will understand why representatives of Standard Oil and Royal Dutch were present at the conferences held by the Federal Reserve Bank in 1929 with American bankers. I will not expound any longer on international financial affairs, but will relate simply the part I played at the above-mentioned conference in 1929, what the assignment was that resulted for me, and how I carried it out. This confession is dry and boring for devotees of fantastic tales and they will simply throw it away. My narrative is even less suited to those who know that real life writes more thrilling and suspenseful tales than the boldest fantasy a fiction writer can invent, because to them only murder, manslaughter, theft, blackmail, threats, divorce and sex-appeal are suspenseful. My narrative is the faithful description of four conversations I had with the 'rising man' in Europe, Adolf Hitler. I don't intend to write a work of literature because I am only relating my own experiences, everything I heard and learned, and I will insert my own opinions here and there so my readers can better orient themselves. **In publishing my experiences I don't mean to awaken hatred against persons, but to expose the misdeeds of a system that controls the world, and that can allow what I myself participated in to happen. "Can allow to happen" is not the right expression. What actually happened is what I mean.**

**In July, 1929 I was invited to come to the offices of Guaranty Trust in New York the next day, to have a discussion with Carter, the President-Commissioner of the bank. Carter was alone and began without formalities. The next day a meeting was to take place among the directors of Guaranty Trust, at which the President-Commissioners of the other Federal Reserve Banks, as well as five independent bankers, the young Rockefeller and Glean from Royal Dutch would be present.** Carter had spoken to the men about me at the earlier meeting, the one I knew had occurred in June, and they all agreed that I was the man they needed. I speak perfect German and I spent four years working in Hamburg at a banking firm we were friends with. Carter told me what the situation was. I knew all about the international financial problems, he didn't need to say anything on that subject. **I knew also how the New York banking world was looking around for the means to end France's misuse of reparations demands.** I received a short resume of what France had done in the field of international financial politics. Carter also knew that London felt the same way as New York. I would then be informed as to what would be discussed the following day, but in any case he could depend on my presence at the meeting.

Naturally I came the next day. Carter and Rockefeller dominated the proceedings. The others listened and nodded their heads. The issue of concern was -- using Carter's words -- very simple. **It was clear to every one of us that there was only one way to free Germany from the financial clutches of France, and that was revolution.** The revolution could be carried out by two different political groups. The German

Communists came into question first, but if a Communist revolution succeeded in Germany, then the power of Soviet Russia would be strengthened and the Bolshevik danger to the rest of the world would be increased. There remained a revolution activated by German Nationalist groups. There were actually several groups of this persuasion, **but no political movement was radical enough to bring about a real overthrow of the state in Germany, if necessary with force. Carter had heard a bank director in Berlin speak about a certain Hitler.** Rockefeller himself had read a short essay in a German-American leaflet about the Nationalist movement led by this man Hitler (he said "Heitler"). **It had been decided at the earlier meeting to make contact with "this man Hitler" and to try to find out if he were amenable to American financial support.** Now the question was clearly addressed to me: would I be prepared to go to Germany, get in touch with him, and take the necessary steps to arrange this financial aid? It must be taken care of quickly, because the sooner the Nationalist group in Germany could be built up the better. **It should be emphasized in my negotiations with Hitler that an aggressive foreign policy was expected of him, he should stir up the Revanche-Idee against France. The result would be fear from the French side, and consequently greater willingness to ask for American and English help in international questions involving eventual German aggression.** Hitler should naturally not know about the purpose of the assistance. It should be left to his reason and resourcefulness to discover the motives behind the proposal. **The next topic of conversation was that I should find out from Hitler how much money he needed to bring about a complete revolution of the German state.** As soon as I knew this, then I should report to Carter, in the Guaranty Trust's secret code, which European bank the account, in my name, should be sent to, so I could then turn it over to Hitler. **I accepted the assignment. Why? When I am asked this question I don't know what to answer. In 1929 I would perhaps have said: because I feel the same way as Carter. But when does a man ever know if he is acting for good or evil? Actually that is irrelevant here. I am relating what occurred through my participation.**

Three days later I found myself on board the Isle de France with destination Cherbourg; twelve days later I was in Munich. **I traveled with a diplomatic pass, with letters of recommendation from Carter, Tommy Walker (not yet compromised at that time), Rockefeller, Glean, and from Hoover. The diplomatic world was as open to me as society, the banking world, and, last but not least, government circles.**

Hitler was not easy to reach. The man was either cowardly or feared making himself cheap. **The American consul in Munich did not succeed in bringing me in contact with Hitler's Nationalist group.** I lost eight days time thereby. **I decided to take matters into my own hands and went to the mayor of Munich, Mayor**

**Deutzberg, with a recommendation from the American consul.** The mayor promised us that the next day I would have a report as to when Hitler would receive me, but I doubted his word. He hadn't promised too much, though, because the next day a friendly letter from Deutzberg arrived at the porter of my hotel in the course of the morning, stating the day and hour **Hitler would receive me in the beer cellar.** I just had to give my name to the waiter in the cafe and I would be brought to Hitler. **All this gave me the impression of secret Mafia methods.** I went, and everything ran as planned. **Behind the huge hall of the beer cellar is a red, old-fashioned room in which Hitler sat between two men at a long table.** I have often seen the man in pictures, but even without having seen him in magazines I would have known that Hitler was the middle one. The three men stood up, each introduced himself, the waiter brought me a huge mug of beer and I could begin. Of course, I didn't want to bring up my assignment in the presence of the two companions. I wanted a confidential discussion between us two. Hitler whispered with the two men and said to me in a sharp tone of voice: "This is not my usual custom, but if you show that you have references, I will consider it." I gave him a few introductory letters. He delayed no longer. One look at the two men sufficed to make them disappear.

I then laid all my reference letters on the table and requested Hitler to take note of them. After he had read the letters he asked me if I planned to report my conversation with him in an American newspaper. I answered negatively. That made a visible impression on him. "I don't think much of journalists," said Hitler immediately. "Especially American journalists." I didn't ask why. It didn't interest me. Cautiously I posed several questions to him. I got an evasive answer to each one, instead of a clear yes or no. In between Hitler finished his huge beer mug and rang. Immediately the waiter who had led me in came and took an order. The new mug must have loosened his tongue, because he then took off.

**"I find the Americans the most likeable of all foreigners. They were the first to help us after the war. Germany will not forget that.** I am speaking of a new Germany. What do you think of our movement over there in your country? ... Our party platform is translated into English after all. Soon, time will be telling them what we want. The German people are suffering in slavery because of the reparations demanded by the Treaty of Versailles. Freedom no longer exists for Germans, either at home or abroad. Our governments have consisted of cowards and traitors since 1918, each one is corrupt. The people believed the new leadership. **Jews and Marxists are the masters here. Everything revolves around money. Discipline and order no longer exist.** The German official is untrustworthy. A tragedy for the country ... no one thrives under this rabble. Nothing can be expected of the Reichstag and Landtag. All the political parties carry on disgraceful, shady dealings. **The government lets foreign countries dictate its laws,** instead of showing its teeth and

realizing that the German people are still capable of resistance. The people are much better than the governments ... How can this be changed? We are carrying on an intensive propaganda campaign against treason and blackmail. We have no more than two daily newspapers and our local organizations are growing continually. They think they are hindering our movement by banning uniforms. Nonsense. The uniform is nothing without the spirit. **We will continue to work on the spirit of the people, the discontent must spread, unemployment must pick up, only then can we make headway.** The government is afraid, because we have proven that we know the right path to the hearts of the people. We offer work and bread. We can also give it, **as soon as an enlightened people realizes it has a right to live and take its place among nations.** The Reichswehr [3] has developed everywhere by our own efforts and our divisions, **through strict discipline. We are not sitting on a utopia of Jewish and Marxist bastards. Our platform is German, and we will not give in an inch."**

Hitler made a singular impression on me. His short, choppy lines of thought, his chatter, his confused rambling without serious proof made me think that this man was empty inside, and could bring on a wild demagoguery with his inflated speech. I mentioned the organization of his movement.

"A strong spirit of solidarity controls our movement. Many of the unemployed from the big cities have joined up, many middle-class people from smaller areas and many farmers from the Platten Lande. Our people give from what little they have to keep our movement going. **Dishonesty and betrayal can't occur because I have everything in my own hands.** The exemplary training of our people draws all the finances automatically to the central point here in Munich, and I am that central point ..."

"Force? But that is taken for granted. **A large movement practically can't be developed without force. The stupid chatter of the pacifists is just laughable. Those people aren't living. Life is strength. Life is force. Look at nature, look at the animal world, there the only law is the law of the strongest ... towards foreign countries? It may work out no other way. I want to leave America out of consideration, but not other countries. Do you think Germany will get back its colonies without force, or Alsace-Lorraine, or the huge Polish territories, or Danzig?** ... Money? That is the crucial issue; money can only be earned when the German people are free to establish their economic stability, then we can grab the most favorable opportunity to **fight for our rights with the strength of our weapons ... France is our enemy,** the other earlier allies are our competitors, that is an important distinction ... **Swindling by Jewish banks must come to an end.** Speculators from Galicia are stripping away the income of the middle class. **Huge department stores are squeezing out small tradesmen** ... Taxes and rents should be regulated and done away with." Hitler stuck his hand in the opening of his brown

shirt. "Here is our platform. You can find everything in there that we have set before us."

It was time for me to bring up the purpose of my visit. He wouldn't let me talk -- "Difficulties? Of course there are difficulties, but they don't hinder me. I have made the liberation of the German people my life's goal, and either I will win or be ruined. **Our biggest difficulty is that the people have become apathetic after years of neglect. That is why we need a forceful, persuasive propaganda, that stirs up their minds. Propaganda like this costs money ...** No, we can't demand large dues from our members, I already had to lower them because many couldn't afford them ... **There is sympathy for our movement in some circles, especially among the nobility.** These sympathies are not pure, though, and we are not sure of them. **I don't want to be the servant of the monarchists' movement in Germany. All aristocrats here are infected with monarchistic sentiments, and I won't let them into the movement for that reason, without being certain of their conviction.** Even then they are under strict control by our leaders ... We can't count on sympathy from the large capitalists yet, but they will have to support us when the movement has become powerful. What do people in America think of our movement?"

The American interpretation of his party seemed to interest Hitler particularly. I gave him the same answer as before, that we in America knew too little of his efforts to form an opinion. Again he mentioned the difficulties. "There are many workers who are susceptible to our propaganda, but their own interests keep them from joining the movement. The Social Democratic unions have huge funds at their disposal. In these times it is naturally almost impossible for many to miss paying dues to the unions. We are looking for the means to attract sympathetic elements in the unions into our movement. They can perform a useful service for us by influencing the minds of their colleagues. **At the moment I am working on a big plan for our own press office here in Munich, and a publishing office with branches in Berlin, Hamburg, and one city on the Rhine.** We haven't worked on Northern Germany yet, and the Rhine provinces are on the way. Bavaria is generally favorably disposed, as well as Saxony."

It became more and more difficult to carry out my assignment. Hitler seemed to like hearing himself talk, and when I tried to put in a small word that could lead to the purpose of my visit, he changed the subject to something else. He continued ...

**"President Hindenburg is not sympathetic to our movement, but he will certainly not oppose the will of the people when the time comes. The clique of aristocrats surrounding him is afraid of the rising power of the German people, because we can demand that they be taken to account for their weak, cowardly position towards foreign countries and Jewish capitalists."** Suddenly he was silent, watched me for a long time, then said acidly: "Are you also a Jew? No, luckily, certainly of

German origin. Yes, I can tell from your name." Now I had the opportunity to refer to the difficulties in Hitler's movement, and came out directly with the plan for financial help.

**"If that were possible, there would be nothing we couldn't achieve. Our movement will die without arms. They can take the uniforms away from us, but our principles will spread. We do need weapons, though ... Making deals doesn't bother me, and I can get weapons everywhere with money. We have set up a school for arms training here in Munich, and it is highly favored by the movement."**

At this point I brought up my carefully worded proposal and asked for Hitler's estimate of the amount. This seemed to perplex him. He rang. A whispered conversation with the waiter. Hitler played nervously with his notebook, seemingly deep in thought. A tall, thin man of about forty, looking militaristic in a brown uniform, came in. Hitler offered him a seat next to him. I was not introduced. Without any preface Hitler asked him how much was needed to spread the movement intensively all over Germany.

"We have to take the North and the Rhine areas into account. We must remember that we can accomplish a great deal by helping the unemployed who are still members of unions, and we can't forget how much we need to completely fulfill our plans for Storm-Detachments. Armaments cost a great deal, and smugglers demand high prices." **Von Heydt took a long pencil from the table and began to figure on the back of a beer plate.** Hitler leaned an arm on his chair and followed his calculations. Then he took the plate from von Heydt and thanked him in a tone of voice signifying clearly that he should leave us alone. "Please remember that for us to make a calculation in our circumstances is not easy. First of all, I would like to know how far your backers are prepared to go, and second, if they will continue supporting us once the initial amount has been spent. Von Heydt has made a calculation here that I fundamentally agree with, but I first want to know what you think of these two points; then another problem is, that we have based our estimate on existing plans when there are still many others under considerations that will be put in to effect once the first have been completed. I am thinking of, specifically, the training and education of our detachments in the use of gliders, as well as uniforms for the unemployed -- the ban on uniforms is harmless -- and of still other plans."

Of course I could not answer him, and I made it clear once again that this first meeting was intended primarily to establish contact. His questions as to the amount of financial help would depend on whether my backers would actually come up with the financial aid, only then could a maximum limit be determined. This didn't seem to please Hitler, or he found it too complicated, because he asked me again anxiously if I personally had any idea of the amount to be given him. I was also unable to answer

this one. I expected him to ask now why the Americans were making this offer of financial support, but he asked something quite different. "When could I receive the money?" I had an answer to this question -- I guessed that as soon as New York received my telegraphed report they would quickly take steps to send the money to Germany if they could agree on the amount. He interrupted me again. **"No, not to Germany, it is too dangerous. I don't trust a single German bank. The money must be deposited in a foreign bank, where I can then have it at my disposal. He looked again at the figures on the plate and said imperiously, as if he were handing down a strict order: "One hundred million marks."**

I did not show my amazement at his greed, but promised him to telegraph New York and give him the response of my backers as soon as possible. He wouldn't hear any of this. "As soon as you have the report from America, write to von Heydt, his address is Lutzow-Ufer 18, Berlin. He will contact you with further instructions. Hitler stood up and offered me his hand, which was a clear indication for me to leave.

On my way back to the hotel I figured out that **one hundred million marks was about twenty-four million dollars. I doubted that Carter & Co. would be prepared to put that much money into a European political movement. I finally concluded that it was up to them in New York to decide, and sent a brief summary in secret code of the conversation I had with Hitler.**

**The following evening I went to a meeting of the National Socialist party at the Circus.** That morning I had received an invitation to go to it. Hitler would speak there himself, followed by a certain Falkenhayn. **I noticed again the emptiness of his reasoning, as I had during our conversation. Never a sign of logic, short, powerful sentences, abrupt and screamed out, political tactics of demagoguery, persistent rabble-rousing.** I sympathized with the journalists who were there to write reports for their papers. It seemed to me that no report could be made of a speech like that. **Hitler didn't speak about the movement, nor about the platform, or of reforms he and his followers expected to carry out. He attacked every government since 1918, the large banks, Communists, Social Democrats, Jews, big department stores. His speech was full of words like traitors, thieves, murderers, unscrupulous men, repressors of the people, those who besmirch the German spirit, etc. He mentioned no facts. He was always vague and general, but ... it worked.** Later I learned that after this evening about 130 people had become National Socialists. I had the impression that Falkenhayn's speech was being used to calm the audience after Hitler's inflammatory words. Dry and almost incomprehensible, **Falkenhayn wanted to prove that Soviet Russia was a danger to the world, that there can be no talk of a union of all Socialists, and that the Hitler movement was the first party to bring about true socialism. His success was moderate.**



**I didn't hear from Carter until the third day. A short answer, also in secret code. Ten million dollars were made available.** I only had to telegraph which bank in Europe I wanted the money sent to, in my name. Carter & Co. evidently felt the same way I did, that twenty-four million dollars was too much money to throw into the wind. I wrote immediately to von Heydt and the next day received a telephone call from him in Berlin. He arranged a meeting in my hotel.

**That same evening von Heydt came to Munich accompanied by an undistinguished looking man, introduced to me under the name Frey. I received the men in my room and informed them that New York was prepared to donate ten million dollars to a European bank, in my name. I would then dispose of it according to Hitler's wishes. The payment and transfer of the money must be regulated carefully. Both acknowledged this without showing any sign of surprise, and added that they could settle nothing without having talked with the "Fuhrer."** I didn't understand right away who they meant, but when I continued to say the name Hitler a couple of times the little Frey corrected me quite sharply, saying each time: "You mean the 'Fuhrer'." I noticed later many times that the name Hitler was never spoken in National Socialists circles; he was always called the "Fuhrer." It made no difference to me. The "Fuhrer" then, if that's what they wanted.

**I waited in Munich for a report from von Heydt, and two days later a letter came announcing his visit. He and Frey announced themselves again at my hotel. The following stipulations were set before me: I was to telegraph New York, asking them to make ten million dollars available to me at the Mendelsohn & Co. bank in Amsterdam. I should go to Amsterdam myself and ask this banker to make out ten checks of one million each in the equivalent mark value to ten German cities. I would then endorse the checks, signing them over to ten different names that von Heydt, who would also be traveling with me to Amsterdam, would provide for me there. I could then return to America from Holland. I had the feeling they were dictating such a mode of procedure to me because they wanted me to disappear from Germany as quickly as possible. I raised no objection to these conditions and everything went as von Heydt had arranged.**

**I ran into two unusual occurrences in Amsterdam. At the offices of Mendelsohn & Co. I was received with unusual politeness after I had asked for an appointment with the director, and von Heydt, who stood next to me at the counter, was treated by both lower and higher officials as if he were the bank's best customer. When the transaction had been taken care of and he had the ten checks in his briefcase, he asked me to come with him to the German consulate. There we were also received with a deference and obedience that proved von Heydt's strong influence. From Southampton I took the Olympia back to New**

York. I went to the offices of Guaranty Trust to give Carter a report right away. He asked me if I would wait and return in two days to give my full report at a plenary session. **The same men were present as in July, but this time an English representative was there sitting next to Glean from Royal Dutch, a man named Angell, one of the heads of the Asiatic Petroleum Co.**

Carter was of the opinion that Hitler was the man to take risks. They all thought that twenty-four million dollars was significant, but I had the impression that they trusted Hitler's determination and certainty because of the size of the amount. **Rockefeller showed unusual interest in Hitler's statements about the Communists**, and as I quoted a few lines from the speech I had heard in Munich, he said he was not surprised that Hitler has asked for twenty-four million. **I was asked if I had learned how Hitler had intended to arm the National Socialists, and if he preferred to work through parliamentary channels or on the streets.** I could only answer vaguely, but my personal opinion was that Hitler, trusting in his own leadership, would take anything he could, and that he regarded it his life's work, either winning or falling completely. **Carter asked me further about Hitler's position in relation to the monarchy, if Hitler was ultimately committed to placing the Kaiser back on the throne.** I answered by quoting Hitler.

I do not know if further sums of money from America were turned over to Hitler in 1929 and 1930; if they were, then another middleman had been hired.

It is a fact that a few weeks after my return from Europe the Hearst newspapers showed unusual interest in the new German party. Even the New York Times, Chicago Tribune, Sunday Times, etc. carried regular short reports of Hitler's speeches. Hardly any interest had been shown earlier in Germany's domestic politics, but now the platform of the Hitler movement was often discussed in long articles with amazement. **In December, 1929 a long study of the German National Socialist movement appeared in a monthly publication of Harvard University, in which Hitler was glorified as the saviour of Germany and given the title of a "rising name in Europe" for the first time.**

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### Notes:

1. One milliard = One thousand billions
2. One milliard = One thousand millions
3. German National Army.

## 1933

In the sleeping car to Berlin I found an edition of a German daily newspaper. This was the main article on the front page:

People are streaming in masses from the inner city towards the Jahrhunderthalle, and the surrounding squares and buildings for the assembly on the fairgrounds. Buses, trucks, private cars and motorcycles are being parked in the nearest streets. To the left of the autos run streetcars crammed with people, and impatient women and men have waited since three o'clock with folding chairs and food parcels in front of the entrance to the building. By five o'clock the bridges over the Oder leading to the fairgrounds are black with people and autos. Traffic is being strictly controlled, but stoppages are still taking place. Cries of "Heil" keep ringing when vehicles carrying party members and Storm-Detachments, singing and displaying flags, arrive at the meeting places. Police walk around with lunch bags and water bottles. It is said that their squad cars are riddled with machine guns and tear gas bombs. Special trains run one after the other into the stations. **Happiness, enthusiasm, bliss on all faces of women and men, workers, peasants, citizens, officials, students and unemployed, all are caught up in the excitement that adds to the inner suspense of the huge election campaign. Unforgettable, wonderful day. Hitler will speak.**

For the first time the whole SA of the province will march. There are Storm-Detachments among them who have sat in open trucks for ten hours or longer before reaching the meeting place. The SA columns are showered with flowers, it becomes a triumphal parade. Raised arms greet each other constantly. Heil SA, Heil ... Drums roll, horns sound.

A crowd of thousands mills around in the gigantic concrete building of the Jahrhunderthalle, the massive memorial reminding the Prussian people forever of the great days of 1813. Long banners are draped on the ramparts and arches of the second largest domed building in the world. Written there is: **"We don't fight for mandates, we fight for our political ideology." "Marxism must die so Socialism can live." "There is no place in this world for a cowardly people."** "Attention, Attention," sounds from the loudspeaker. "Everyone sit down, the SA is marching in."

And they close in. The huge building trembles. A roar like a hurricane breaks forth, twenty thousand people rise from their seats. Between

shouts of joy banners and flags are raised, one covered with black. **A mother screams. An unknown storm-trooper has died a hero's death for his people.** The Storm troopers march in. They can already be heard singing outside: "We are the army of the swastika." Enthusiasm reaches the boiling point. More columns keep coming. Men who know nothing more than duty and battle. The floor shakes under the marching feet, under the strength and discipline of the brown battalions.

"Attention, Attention, Hitler has just arrived. Attention, Attention." Excitement everywhere. "Heil, Heil." He comes, thousands of eyes look for the Fuhrer. There he is.

Sharp commands, a joyful cry: "Adolf Hitler." Now silence. The Gauleiter steps up to the microphone: "My dear German comrades," he begins. After a few sharp sentences he closes: "The Fuhrer will speak."

Again a giant roar, then the masses listen. Adolf Hitler speaks. First slowly, measured, and cool. The first applause. Hitler nods for silence. He continues to speak with more conviction, irresistible, he becomes fervent and demanding, the non-National Socialists are struck. **What this front-line soldier lieutenant first class Adolf Hitler, this man of the people, says is all so simple, so ordinary and so right, and everything so true, that know-it-alls, boastful of their development, and rational ones with their eternal practical complaints, are all silent.** They follow the speaker with suspense. They have trouble understanding this man, whom they have come to see out of curiosity, but they applaud him.

Hitler indicates silence. "Those who belong to us know that a turning point in the history of our people happens not every five or ten years, but perhaps only once in a century." Now he shrieks loudly: "Party platforms are worthless." Those people standing on the sidelines, the disappointed, the ones who have been betrayed so many times, listen carefully.

"Thirteen years ago we were broken as a people, and a broken economic life followed the broken people. Once, a hundred years ago ... at that time the ones who brought new prosperity and happiness to the German people were not those who only thought of the economic life, but **those who gave blood and possessions for the honor of the German people.** It cannot be otherwise. The German economic life is not