

## Hitler with Reichsbank President Hjalmar Schacht (May 5, 1934)

### Abstract

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As president of the Reichsbank, Hjalmar Schacht (right) played a major role in financing the first phase of the National Socialist “military economy.” For example, he developed the “Mefo bill” credit system, which allowed the state to disguise armaments spending under the cover of the so-called Metallurgical Research Society [*Metallurgische Forschungsgesellschaft*, or Mefo for short], a spurious company set up in April 1933. Between 1934 and 1936, Mefo bills were used to finance about 50 percent of weapons purchases. On August 3, 1934, Schacht became Reich Minister of Economics, a position he used to fuel the National Socialist drive toward autarky. Under his leadership, German foreign trade came under almost complete state control. The goal was to limit imports to foodstuffs and raw materials needed for rearmament and to increase the export of German manufactured goods. The steady decline of Schacht’s political influence began in 1936, the year the Four-Year Plan was instituted under the leadership of Hermann Göring. When Schacht criticized Nazi rearmament and financial policy, Hitler fired him as president of the Reichsbank. Schacht also withdrew from other public roles, but remained Reich Minister without Portfolio until 1943. The following year, he was taken into custody in one of the mass arrests following the July 20, 1944, attempt on Hitler’s life. He was held at the Ravensbrück and Flossenbürg concentration camps until the end of the war. In 1946, the International Military Tribunal (IMT) acquitted him in the Nuremberg Trial of the Major War Criminals, but a Stuttgart denazification court [*Spruchkammer*] judged him as a “major offender” [*Hauptschuldiger*] the following year and sentenced him to eight years of hard labor. Schacht filed a successful appeal and was released in 1948.

### Source

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Source: Laying of the foundation stone for the new Reichsbank building in Berlin. Reich Chancellor Adolf Hitler attends the laying of the foundation stone with Reichsbank President Hjalmar Schacht and the directors of the Reichsbank, May 5, 1934. Unknown photographer.  
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