

Hjalmar Schacht, “The Colonial Question” (1931)

Abstract

Hjalmar Schacht (1877-1970) had already made a remarkable career as a banker in the German Empire, which initially continued in the Weimar Republic. In 1923, as Reich Currency Commissioner, he played a key role in the introduction of the Rentenmark, which put an end to hyperinflation in Germany. In the same year, he was appointed President of the Reichsbank. In 1929, he led the German delegation in the negotiations on the Young Plan, which was intended to restructure reparations payments. Schacht rejected the plan as unrealizable but had to agree to it on the instructions of Reich Chancellor Hermann Müller (SPD). After further disagreements over reparation payments and financial policy, Schacht resigned as Reichsbank President in March 1930. In the following years, he initially retired to his country estate in Brandenburg and moved closer to National Socialism politically. In 1918, he had been one of the founders of the liberal German Democratic People's Party (DDP), but he left the party in 1926. From 1932, Schacht openly supported the NSDAP and was one of the signatories of the so-called “Industrialists’ Petition,” in which Reich President Hindenburg was asked to appoint Hitler as Reich Chancellor after the Reichstag elections in November 1932. Hitler reappointed Schacht as Reichsbank President shortly after coming to power.

This excerpt from his book *The End of Reparations*, published in 1931, reflects Schacht's view of colonialism, which he defends as vital for the German economy. In this context, he uses the term “Lebensraum” [living space] originally popularized by the *völkisch* movement in the Kaiserreich. Unlike Hitler, he does not apply it to a conquest of Eastern Europe in line with National Socialist ideas of racial biology, but uses it here as an economic and population policy argument for colonizing “empty, undeveloped territory,” by which he mostly meant the African continent.

Source

THE COLONIAL QUESTION

A German young men's association, which trains young people for the trades and professions, recently sent out a circular letter which was appalling. It complained that it was no longer possible for the organization to find places for its young people; every branch of industry was over-full and nowhere was there an opportunity for these willing, industrious and morally well qualified youths. The organization asked: “Where shall the youth of Germany live, how can more places be found, in the coming years, for the hundreds of thousands of able and energetic young Germans who embody the same ideals of work and duty as did the past generations?” Give these German youths a chance to live if you want to keep the world happy and peaceful. That is a great demand which the world cannot neglect without itself suffering. And this problem cannot be confined to the youth of Germany alone. The outlook is already similar in Italy, and other countries may wake to find themselves in the same situation.

If there were no empty, undeveloped territory left in the world, the problem would have a different aspect and different consequences. But today there is no simpler remedy for the overpopulation of the older states than the development of new territories, and this will be true for a long time to come. In this question of colonial policy, as with other matters, we must free ourselves from our old prejudices. Hitherto colonial empires have grown out of dreams of heroic conquest; today it is bitter economic need which drives us to think of colonies.

The table below shows, for Europe and for the United States of America, how much space is at the

disposal of each inhabitant, when the motherland and the colonies are reckoned together.

		Area, in millions of square kilometers	Population, in millions	Number of inhabitants per square kilometer
Europe:				
	Germany	0.47	63.18	134
	Austria	0.08	6.53	82
	Belgium	2.47	21.38	8.7
	Great Britain	39.67	461.05	8.7
	France	11.46	99.86	8.7
	Greece	0.13	6.18	48
	Italy	2.57	42.61	16
	Jugoslavia	0.25	11.98	48
	Netherlands	2.08	59.71	29
	Norway	0.39	2.80	7.2
	Poland	0.39	27.18	70
	Portugal	2.52	15.48	6.1
	Russia	21.34	143.13	6.7
	Sweden	0.45	5.90	13
	Switzerland	0.04	3.88	97
	Spain	0.85	23.29	27
	Czecho-Slovakia	0.14	13.61	97
America				
	United States (without colonies)	7.84	120	15

Even when one takes account of the fact that the differing character of land and soil makes a mere reckoning of total area unfair, the table still shows plainly that although the Germans are among the greatest and most highly civilized peoples in the world they have the least space to live in. If the victorious Powers, which had no need of them, had left Germany her old colonies, Germany's present extraordinary social and economic problems would have been considerably simplified and would have lost their aspect as a menace to the peace and welfare of the world.

In order to conceal the theft of the German colonies, the fathers of the Versailles treaty invented lies about Germany's colonial history. With shameless hypocrisy Germany was called morally unfit to undertake colonization and charged with having misused her colonies as military bases for her supposed imperial policies. And these charges were made by Powers which not long before had been exposed to the entire world as guilty of the atrocities of the Congo, by Powers which in this same World War led hundreds of thousands of colored soldiers from their African and Asiatic colonies against the Germans, and today are still recruiting colored soldiers in Africa. One could fill pages with refutations of these lies, calling upon English, American and even French witnesses who have borne eloquent testimony in behalf of Germany's colonial regime.

Source: Hjalmar Schacht, *The End of Reparations*, translated by Lewis Gannett. New York: Jonathan Cape & Harrison Smith, 1931, pp. 231–34.

Source of original German text: Hjalmar Schacht, *Das Ende der Reparationen*. Oldenburg: Gerhard Stalling, 1931, pp. 229–32.

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