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HITLER'S MONEY

The Bills of Exchange of Schacht and Rearmament in the Third Reich

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*The economic recovery under Hitler stands as a remarkable feat of financial swiftness. Consummated in less than four years, the Nazi resurgence could vaunt by the end of 1938 the erasure of nearly eight million unemployed, the total absence of inflationary pangs, and the most ravaging army one could then conceive. The monetary contrivances behind such a conjuring of awesome potency were imagined by a team of traditional bankers, headed by Reichsbankpräsident Hjalmar Schacht. It is here argued that the financial underlining of the Nazi episode is but a variation of the famous 'monetary sleight-of-hand' that Mephisto played before the Kaiser in Goethe's **Faust**. Theatrical prophecy and war expectancy mix uncannily in this unique example of economic expediency achieved without the least concern for ideological etiquette.*

Fiction...

Goethe wrote *Faust* two centuries ago. It has been claimed that the second part of the opus is a great allegory of modernity –a prophetic vision of the economic era (Binswanger, 1995).

So let the play begin.

The curtain is drawn, and we find ourselves in the spacious hall of the imperial palace. Court retainers, in a nervous murmur, confabulate nearby the throne, whereon the emperor sits in manifest despondency. Chancellor, treasurer and squires are about to address the sovereign. What follows is a chain of laments, disconsolate invectives, and worrisome accounts of the empire's conditions. Agonizing trade, agitated folks, loose soldiers turned by growing rowdyism into a mob of knaves, cocksure vassals laying claim anew to ancient pretensions, indifferent kings in the neighboring demesnes, destitution, debts and acrimony everywhere. The vaults of the treasury are empty, and the air is rife with spiteful allusions to the deadlines and usurious accretions imposed by the Jewish loan shark. The Kaiser looks about himself, weary, in search of his buffoon –may this last grant him a little respite. Where's the fool? Can't be found. The rumor has it that he fell down the stairs the previous day, and so soon was he borne away. Dead or drunk? No one knows for sure.

Silence and irresolution...But all of a sudden, slowly emerging from the shade, a personage steps forward. Whispers waft through the air fancying the apparition to be the new fool. And striding on, the visitor introduces himself with a riddle: "What's cursed and welcomingly expected?"...Nobody ventures an answer, but no sooner has the emperor beckoned and bid him

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approach than the stranger goes up to station himself on the emperor's left hand. "Another fool, for worries new!" cries the populace.

There is a dearth of money, laments the Kaiser facing the odd guest, can you procure it? The new buffoon reassures him: he shall do all they ask of him, and even more. That is a light task, but light things, he adds, are rather difficult.

The audience is acquainted with the plot: it knows that the new fool is none but Mephistopheles (or Mephistopheles, *he who shuns the light*) and that his plan is, by definition, diabolical.

The stratagem.

Mephistopheles draws the emperor's attention to the fact that money—gold—is readily available: one only needs "to dig."

To dig?

Just think, proceeds the demon, of all the wars fought upon the imperial soil, consider only the blood that was shed, the hordes of maddened warriors and haggard refugees treading the earth, and thus the terror that must have led the population to consummate the most instinctive deed of all: bury its wealth. There is capital, there, underneath—sunk deep in the imperial soil. And he concludes: the emperor owns the land, his is the capital.

The courtiers listen, struck. The treasurer concedes: the stranger, albeit a buffoon, argues rather cleverly. The Kaiser is impatient: Haste then! Show at once the golden places! Dig up the gold yourself, replies Mephistopheles, and reap the triumph.

Was it true then that a treasure trove lay hidden underground? Who can tell? Nobody's ever bothered to unearth anything. Instead, paper is issued—the "fateful paper" (*das schicksalschwere-Blatt*). Issued in great haste so as to enable the Chancellor to proclaim aloud: "To all whom this comes, be it known: a thousand crowns in worth does this note own. It to secure, as certain pledge, shall stand all buried treasure in the Emperor's land: and it is decreed, perfecting thus the scheme, the treasure, soon as raised, shall this redeem."

The result is astonishing. Councilors gather round the Kaiser jostling one another, anxious to recount ever more detailed and wonderful accounts of the Mephistophelian stratagem. Trade reflowerishes, folks begin to spend again: wine, jewelry and exchanges of all sorts; soldiers get their pay, inclusive of arrears, and new ones are drafted by the hour. The paper flies, spreading, as fire rapt by wind. Goldsmiths and bankers discount, rentiers collect and wenches live it up.

The economic miracle of the devil.

The story does not end here, though. This is but the beginning—the beginning of that process of expenditure and recruitment that patiently awaits that special time of reckoning: *war*.

Thus Faust, Mephistopheles and the Kaiser set out to launch their offensive expedition against the Anti-Kaiser. An expedition that began with the issuance of that strange and fateful paper.

...*And reality*

It is around March 1932 that unemployment in Germany reaches an historical peak. According to the official statistics there are more than six million idle hands. But contemporary observers, on the basis of different estimates, surmise that the figure is even greater: including those eking out a living by means of makeshift occupations, some go as far as putting joblessness at 8.75 millions (Fest, 1973, p. 353). This means that one out of four men is bereft of actual work. It is said that an idle man's brain is the devil's workshop. Is Germany about to become Mephisto's business enterprise?

In September, in Lausanne, on the occasion of the international conference that would have led to the cancellation of the war reparations, the chancellor, the intriguing aristocrat von Papen, addresses the plenipotentiaries of the world: the golden epoch of Weimar has dawned, complains Papen, today Germany is the victim of the western powers' indifference; gold is smuggled out of the country; nothing's left but unemployment and the alienation of German youths (Kaes et al., 1994, pp. 80-82).

Meanwhile the movement of Adolf Hitler prepares for the second electoral round of the year. Votes are cast in November, and the National Socialists suffer a severe downslide: they lose two million voices; from that famous 37.3% scored in July, their percentage of the ballot falls to 33.1. The accounts of the party are in the red, for conspicuous amounts. Hitler confides to Goebbels that he is ready to blow his brains. In the meantime, Papen falls; General von Schleicher succeeds him. Then, an obscure but powerful banker, Kurt von Schröder, makes his appearance. His banking house affords connections of the highest degree that reach to the City and Wall Street. He has scars on his cheeks from the days of goliardic bravado and a mansion in Cologne. There, on December 4th, 1932, he meets Hitler and offers to stand as surety for his debts. Schleicher is forsaken; he resigns, and on January 30th, 1933, Adolf Hitler is sworn in as chancellor.

In 1924, after the extraordinary inflation, Schacht, a freemason, had risen from second-tier banker in charge of public relations to Reichsbank governor, thus eliciting indignant remonstrances from the German banking elite. President Ebert, the predecessor of Hindenburg, had him appointed, for the banker was *persona grata* to the British. In 1930, shortly before the tempest, Schacht, relying on intuition (or a tip-off), resigns from his post of *Reichsbankspräsident*, espouses the cause of the Nazis and starts to hustle round the world as an officious flak for the movement.

The Minister for the Economy in Hitler's second cabinet is a man named Kurt Schmitt—an asset of the insurance lobby. In July 1934, Schmitt addresses an assembly of exporters; he opens his speech by asking, "What is to be done?" No time elapses before he swoons off the stand, senseless. A month afterwards, Schacht, who since March 1933 is once again at the helm of the Reichsbank, succeeds him. On that occasion Hitler had summoned the banker to inquire whether he could procure large sums of money that

would solve the unemployment question. Schacht had answered in the affirmative, and had been offered his former position. In August 1934, it is said of Schacht, who now wields the three charges (Minister for the Economy, governor of the Reichsbank, as well as Plenipotentiary for the War Economy), that he is the economic dictator of Germany. Long after the war, the banker would write in his memoirs that, at the time, to make Germany great and strong again, he would have joined the devil. *Schacht* in German also means "pit," which, notoriously, receives no light.

Trials

In the severest phase of the Depression the authorities try to revive the economy by having recourse to a few expedients (Poole, 1939, pp. 29 and ff.). In 1932, under Papen, "tax certificates" are issued for the sake of entrepreneurs: taxes due *by* businesses *to* the Reich are forthwith transformed into certificates, which yield interest. The expected outcome of the operation is that of seeing entrepreneurs take these certificates to the market and, with the borrowed funds, expand plants and hire additional labor.

The sale of such securities on the money market turns out to be a failure, and those few who have succeeded in attracting a little liquidity, pursue aims quite different from those anticipated: 1) they lighten their debt burden, and 2) cut their selling prices, thereby aggravating further the general process of deflation.

The Reich has thus attempted to bail out businesses, by "spending" with the money owners its power to tax—that is to say, this certificate represents money that by law businesses shall remit to me, the State; but since these businesses at the moment cannot be burdened with further imposts, we ask you, money owners, to advance as against these certificates the cash needed to put the productive apparatus back on track. This measure would be conducive to the eventual taxation of the salvaged economy, and finally to the reimbursement of the *loan* (for that is what the whole operation amounts to), with the interest.

But money does not bite the bait: why on earth would cash be loaned with a view to reanimating economic activity, when prices plummet and the prospects of growth are worse than bleak? Money hasn't bitten, as it hadn't bitten the year before, 1931, when a special acceptance bank, the *Akzeptbank*, had been established, whose purpose it was to act as guarantor with the central bank for the dubious loans that had been granted by illustrious commercial banks to firms and other credit institutes (Born, 1967, p. 118). The central bank and important private banking groups contributed to the capital of the new bank; thereafter the Reichsbank discounted the guaranteed bills at a rate of 10%, which was marked-up with an extra 2%, as a remuneration fee for the middle-role of the *Akzeptbank*. This was too costly a financing scheme to lead to any substantial process of recovery.

Alone Germany goes nowhere, and the Anglo-Saxon clubs do not seem to confide any longer in Weimar, which, for all that, is their own creature.

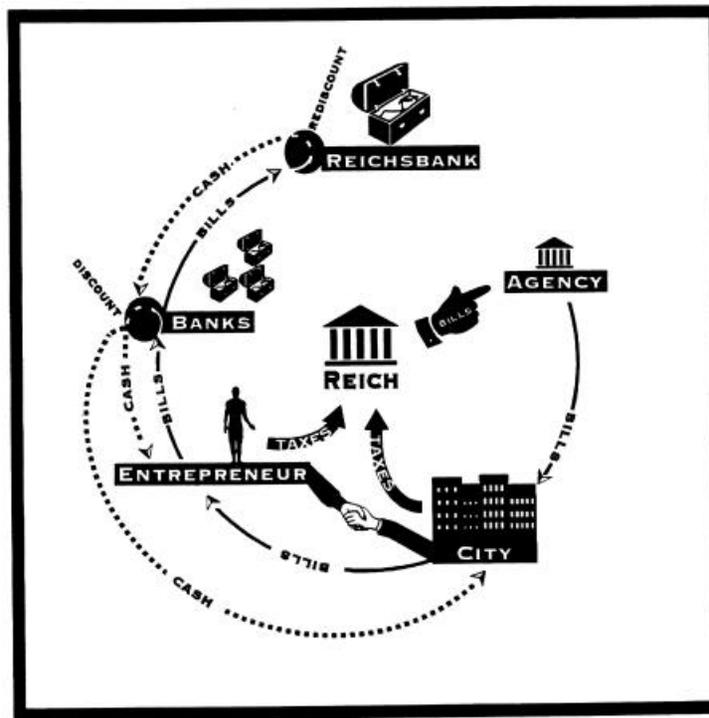
But in those days some manage to accumulate formidable fortunes. Of course, much money is repatriated by foreign investors during the 1931 slump, yet much is the money remaining within the German confines. National income drops precipitately and unemployment soars, however, titles of ownership seem to be circulating and becoming ever more concentrated (Johannsen, 1975, pp. 11, 15): they pass on (at slashed prices) from bankrupt to silent and profitable concerns, such as the Reichsbank, which, although official data speak of moderate amounts, cashes in windfall profits in the midst of monetary chaos, thanks to the above-mentioned discount activity. This process of financial concentration continues; it lasts approximately three years, from 1930 to 1933, the year of Hitler. Then, as if materializing out of thin air, appears a host of "semi-public" financial institutes that begin to issue bills by broadsides of several billion Reichsmarks every year. Bills, which the central bank proceeds to discount, just as it had done in 1931; yet this time, neither lackadaisically nor with avariciousness, but on a vast scale and at a most generous rate. Thus begins the Nazi economic miracle—the so-called process of "work creation."

Work Creation

Oeffa (deutsche Gesellschaft für öffentliche Arbeiten), deutsche Verkehrskreditbank, deutsche Bau- und Bodenbank, deutsche Rentenbank-Kreditanstalt, deutsche Bodenkultur A. G., deutsche Siedlungsbank are the names of the principal "semi-public" credit institutes that operate stealthily behind the great Nazi recovery. The type of paper they employ to stimulate economic activity is the Bill of Exchange.

After the great inflation, the statute of the Reichsbank does not contemplate open market operations, nor does it allow the faculty to discount bills on behalf of the government. The only instrument against which the central institute is permitted to advance cash money is the commercial bill, for only this last, at least on a purely formal level, carries the guarantee that tangible wares are actually circulating, instead of virtual financial flows, which are a certain source of inflation. In 1933, by dint of this clause statutory prohibitions are outflanked (they will be abrogated the following year in the ambit of the consolidation movement, which is discussed below), and the legal outfit is at last cleared to accommodate imposing injections of monetary means.

The Bill of Exchange is a piece of paper by means of which an individual (A) orders a second individual (B) to remit a sum of money to a third party (C). The instrument thus embodies the dynamics of a credit: A is in this instance the Reich, which entreats the possessor of capital B (represented by the mentioned financial corporations) to pay German business, C, for the commissions. If the engine is thus set in motion again, the economy can be trusted to be productive once more; taxes can be levied,



THE CYCLE OF WORK CREATION

and thereby public finances receive the wherewithal wherewith they honor the capitalists' bills, including interest charges. The basic mechanism is always the same.

The business receives the bill and deposits it in its bank with a view to getting good, rustling money in exchange –thus the traditional discounting transaction is consummated, whereby interest is subtracted from the amount inscribed on the paper certificate. This occurs for the bankers' money is sound, tinkling money, whereas the bill of exchange is nothing but a promise with limited powers of circulation. The option, for the commercial bank, to resort at all times to the Reichsbank for rediscounting these pieces of paper, renders the arrangement all the more fluid. The bills are guaranteed –guaranteed by the power of taxation of the Reich, and by the tacit assent of the central bankers. Like magic, money becomes less

expensive. In 1932, the official rate of discount was 5.21%; Schacht for the duration of his "dictatorship" will officially peg it at 4%.

Germany is liquid again. Still to this day, learned books allude to the "upswing" that had been in the offing for a few months, and whose wind Hitler luckily caught in his own sails. Fantasies. It is only after Hitler is invested chancellor and Schacht governor that money runs again. The Nazi economic reawakening is a willed feat.

Public Investments, Arms and Then War

The initial funds (Sofort Plan and Reinhardt Plan) are allotted for infrastructure. The bills take on the name of the type of project that they are meant to finance: e.g., "work-creation-bills," "special highway-bills," "land reclamation-bills." Entrepreneurs cash in, have their paper discounted and pay the workmen. Banks turn to the Reichsbank, which starts to print paper money; with it banks repay the debts they couldn't honor during the slump, and fuel the recovery. Men find work again, they do not spend much; what they manage to lay aside is taken hold of by savings banks, with a view to channeling it within the selfsame circuit of state expenditure. Iron controls are imposed upon wages and prices. This is the regime of repressed inflation proper. It is known that Germany, save for coal and potash, is entirely dependent upon external sources for the provisioning of vital rawstuffs. Yet these somehow pour in the country, in spite of: 1) of the much discussed system of exchange controls initially decreed by chancellor Brüning (1931), and subsequently pushed to its extreme consequences by Schacht himself in 1934, on the basis of most rigid exchange restraints and multiple bilateral clearing agreements with peripheral agricultural areas (South America and the Balkans); and 2) the alleged, and intense, effort accomplished by the industry to derive synthetic substitutes for the war materials (the Ersatz).

In the Third Reich even statistical records are adumbrated by mystery. There is scant congruence among published data, and it is thus difficult to measure the extent and proportion of the German recovery of the nineteen thirties. However, it is a matter of unanimous recognition that in 1935 military expenditure amounts to approximately half of the entire governmental outlay. Thenceforth this share is bound to rise inexorably.

In 1934, something decisive comes to pass: Schacht meets the lords of German steel. Together they found the Metallforschungsgesellschaft, or MEFO (Research Corporation of the steel industry) –a fictitious corporation with a meager capital endowment (250 000 Marks), against which, from 1934 to 1938, 12 billion Reichsmarks worth of bills of exchange are issued for the first war commissions. The Mefo-bill is the true spark that triggers the process of rearmament.

The Mefo-bill is the bill of Mephisto: it rests upon virtual treasures –upon titles of ownership, which, during the twilight of Weimar, were amassed in the sparse hands of those absentee owners, the new indisputable masters of Germany. The Mefo-bill is the fruit of a compact between the overlords and

a tenebrous knighthood, between the highest German dynasties and the Nazis, who, with the monopoly of violence and the promise of war, fulfill two fundamental economic requisites: they ensure taxation and warrant the yield promised by the bill of exchange, respectively –that four percent stamped upon the paper. Namely, the price of gold, of money, which, in a world contorted by vehement protectionism, shall hopefully be repaid with the surplus forthcoming from the rapine of war. In fine the stratagem, Mephisto's legal-financial trick: the underwriting, the proclamation and the promise. A paltry equity base, a nonexistent corporation, the goodwill of German steel lords, the proverbial discipline and industriousness of the German, and the complicity of bankers and high world finance, which, through its own network, manages to convey the raw materials needed to equip with breathtaking swiftness a devastating army.

In less than four years, Hitler conscripts these armies, thus erasing more than seven million unemployed, improving somewhat the quality of life until 1939, and repressing even the least inflationary sigh. What did Schacht do to achieve all this? What did he put in that paper?

The Fateful Paper

1946, Nuremberg.

Prosecutor Jackson is spending much energy to frame Schacht, to humiliate him. He wants to prove to the world that the freemason is an integral component of the Nazi plot that led to genocide, that his Mefo-bills are an aberration, a filthy swindle. The allied inquisitors of the court watch the duel, with embarrassment. Schacht has no need of an interpreter; in a richer English than that of his accuser, the banker counters condescendingly Jackson's inflamed, yet toothless theses. Francis Biddle, another American judge, shakes his head as he jots in a pad that Schacht is far too clever for the prosecution. Jackson broaches the financial question and proceeds to founder, slowly; he waxes implacable, to no avail –he does not want to face the fact that Schacht is an untouchable (Conot, 1983).

In England, it is with sheer enthusiasm that more than a few influential onlookers had witnessed the flux and reflux of Schacht's bills. Like that famous Lord Keynes, appointed Director of the Bank of England in 1940, who, just four years earlier in a book still idolized to this day, had portrayed the bizarre fresco of an ailing, nondescript, economy conquering sanity by means of potent monetary injections (Keynes, 1973). Schacht will avail himself of the British accolade to his financial legerdemain on more than one occasion –for instance, in Nuremberg, and in those apologetic treatises of his, wherein he describes the working of the Mefo-wechsel.

His paper, admits the banker, is indeed a promise, but it is as good as money, by virtue of its interest-yielding capacity (at 4%) (Schacht, 1967, p. 114). This should explain why the German market of the thirties, already deeply mistrustful of state financial policies, eventually opted for a prompt absorption of the bills. But the argumentation is purposefully confusing. The Bill of Exchange is not money proper. It is a poor substitute thereof: the

paper promise mirrors wares that decay, something which gold, true money, never experiences; nor does simple commercial paper imply direct access to the privileged network of banks, which move the resources of the world. By reason of these two economic verities, one is induced to pay a price, interest, to lay hold of the "good" means of payment –the imperishable one, bank money. Should the possessor of money not be assured of the certainty of the yield, of interest, money ceases to circulate. Thus begins the crisis, with money vanishing underground.

But the exaction of interest is associated with a number of problems, whereof bankers are fully aware. These problems arise within the loan. Two difficulties are bound to come soon into view. The first one concerns, for instance, the reimbursement of a piece of equipment that has been purchased with loaned money. If the good costs 100 and perishes in 10 years (which implies a depreciation rate of 10%), the entrepreneur can safely presume to be acquitted from his obligation if he pays a depreciation allowance (the "amortization" payment) of 10 per annum, for ten years. Yet, according to traditional lending, the banker demands the 10 installments (of 10 each for a total of 100), marked-up with an x%, which represents the interest addition (or, which amounts to the same thing, he claims 10 annual interest payments, plus the entire sum of the loan, which he will collect as the contract expires). This is so, for the parties anticipate an increase of physical productivity from the employment of the new machinery (i.e., larger manufactured output for a given set of input factors) –an increase that will allow the borrower to pay the price of money (interest), with the proceeds of his sales. However, on the aggregate level (i.e., considering all firms a single productive unit, and excluding international trade), it is not clear how producers, by selling their commodities to the public, can secure the monetary equivalent of this additional x%, if it isn't put into circulation by the banker himself in the form of a further credit extension, burdened by a supplementary layer of interest –which is what customarily happens.

The second snag –an offshoot of the previous difficulty— lies in the relationship between the mentioned productivity increase and the stability of prices: From the viewpoint of the individual firm, if technologically-enhanced production (by means of the new machinery acquired with borrowed money) entails an uncontrollable expansion of manufactured wares, the immediate outcome, through the agency of a saturated market demand, is a dramatic decline of the selling price. From a plummeting price it is ever more difficult to deduct the interest component, wherewith the loan is to be repaid. It is for this reason that banks in the medium-long term fear innovation. When prices fall, credit is broken off.

Transactions are further complicated by a third incongruity: the eventuality that the complex industrial process, starting with the baking of bread and extending to the assembling of sophisticated instruments, may be controlled in its various stages by rival and independent banking affiliations, which thus tend to overload payment flows with additional doses of interest.

Hence, three problems lie in wait for a solution: 1) free the economy from disproportionate financial overhead charges; 2) render the financing

procedure of the private banking sector a more coherent undertaking; 3) find an outlet for the enormous productive potential of modern industrial systems, so remuneration, profit and interest are not wholly eroded thereby.

It is up to the Reichsbank to make the opening move if objective number one is to be attained. By rediscounting the bills forwarded to it by credit institutes, the bank of issue ministers the decisive shot of liquidity to the system. Part of this monetary mass goes to settle the debts incurred by slump-stricken businesses (banks and firms), part is employed to boost the economy. The advent of Nazism coincides with a veritable jubilee: the record shows the virtual annulment of all private debt. As to the demand for money, the injection of this potent flow of purchasing power is reflected by an instant contraction of the rate of interest, which is promptly aligned with that of Schacht, at 4%. Then enter the Nazi economic Ministries; all their attention is focused upon the industrial sector: first of all, they encourage a strong concentration of all main concerns; there follows the capital concession: the so-called Preisfinanzierung (financing by prices). The Reich places the order for goods and construction, and agrees to a price that, in addition to entrepreneurial profit, includes an accelerated depreciation allowance (that is, a stipulation under the pretense that equipment perishes ahead of time), which is tantamount to the total remission of interest, and to the concession of a bonus, which firms will devote to the expansion of plants (self-financing scheme). In 1937 the ratio of interest charges to sales for business bottoms out at 0.40% (Lurie, 1947, p. 158).

The second incoherence is remedied by dividing the process of monetary creation into primary and secondary credit. Primary credit is the original injection of money in the market. The execution of such a maneuver is, under Schacht, the sole and exclusive privilege of the central bank, the exercise thereof being subject to the official order of the Reich (the empire's publican) and to the guarantee vouchsafed by the semi-public financing corporations (the capital). Secondary credit accompanies the injected monetary mass along the different channels of the productive apparatus (households and businesses); this becomes the enfranchised area of credit and financial institutes. Thus banks are relegated to the mere discounting function: they still hold the usufructuary right to exact interest against the bills tendered by the Reich, yet they have to forego the far more important prerogative to ordain the nature and direction of all investments, as well as the copious rents obtainable therefrom (Barkai, 1990, p. 213). These, instead, are appropriated by the Reich, which, in turn, cedes them to businesses with the Preisfinanzierung. It is the duty of savings unions and insurance companies, which do not rely on the perilous leverage of the deposit multiplier, to channel bank-discounted money saved by millions back into the programs of public expenditure. By repressing consumption, the production of weaponry is intensified, and the original loans are transformed from short to long-term engagements: consolidation is initiated. Germans are now told that the money they laid in is being immobilized – maturity dates of Reich securities are gradually postponed (28 years for the initial Reich bond auction of 1935). War will settle all accounts payable.

Meantime, the economy pushes on –it grows by 9.5 % per annum for the quinquennium 1933-1938; Nazi bills are initially paid off with tax proceeds, but in the course of consolidation, financial authorities end up by paying only interest on the lengthened loans (putting off the reimbursement of the principal until the end of war): it looks as though the whole endeavor is pervaded with the lightness of a zero-interest loan (that in which only annual depreciation allowances are paid). Hitler has blind faith in his divisions. So do his financial backers, seemingly.

Finally, the abundance of modern industrial systems, which translates in an overall diminution of the price level, and which fails to comply with the logic of profit. What to do with it? (Veblen, 1978, chapters 4 and 5) Visionaries advocate the transformation of all economic surplus in gifts, for the arts, poetry, sculpture and science (Steiner, 1993, p. 149). Money distributed to the artists of the gift marks the death of the fateful paper, which has consented the offering of such a gift. But Mephisto's paper seems made to last, for the loan of the absentee owners is no zero-interest grant; Schacht helped Hitler by alluring back to the surface those pecuniary hoards that had been concealed for three long years, in order to finance the war at 4%. Meanwhile, the money owners have collected interest; they'll have to wait for the end of the conflict in the East –such is the understanding— to get their own capital back. Double perversion: perversion once, because what ought to be given away, the surplus, is offered for sale; perversion twice, because the gift betokens life, whereas the expenditure of the Third Reich, in essence, denies it.

Actually, in 1937, the short-term interest rate in Germany levels off at 2.81%. The official Reichsbank rate, at 4%, is most probably the façade price paid out to foreign investors –mostly Americans and British, up until the outbreak of the war, and beyond.

Embarrassing Mystery

Embarrassing mystery that of the Third Reich. Nazi economics bears out traits so distinctively capitalist in nature –the basic monetary dynamics, the exaction of interest, the market rivalry between concerns to secure both state commissions and labor, the great emphasis on research and development, wage incentives based on productivity gains, obsessive technicalness and the cult of efficiency—, that these can hardly fail to trouble the liberal apology of the market economy; just as the organic composition of entrepreneurial decisions, the highly progressive fiscal policy, the anti-plutocratic invective (partially and obliquely effected), the reborn communitarian appeal, the ecological fanaticism of the SS, the nearly complete elimination of stock exchange speculation cannot but cause much discomfort to the doctrinal tradition of the “left.” Even those that believe that a perishable means of payment –that is, a payment system in which purchase money loses value as time elapses (for a fixed annual depreciation percentage), so that it is thereby forced to circulate, and in which the only way to escape decay is to invest the money in productive enterprises at a

null rate— is the necessary and sufficient condition for solving most traditional economic evils, are alarmed. Mephisto's paper, which has accompanied the German economy in its fiery Hitlerite race, has not changed hands gratis, but it has been traded at just 2.81%; it hasn't been hoarded, but always kept in motion by the savings unions; it has faithfully reflected the life-cycle of the durable goods, which it helped finance, and it has somehow simulated, with the deferment of all refunds to the end of the war, a zero-interest loan. Never underestimate the devil.

The provisioning of "wholesome" money is not sufficient, just as innovating or showering the notion of "general interest" with tearful meditations cannot be enough—the key is in the gift, in all that which it evokes: the possibilities, the respect of time, the aspirations of the soul, and the need to know something more about man himself. Not about his rationality, conscience or principles, but about the necessity to sacrifice all this to something higher, as had been written by the young pastor Dietrich Bonhoeffer—a martyr of Nazism.

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