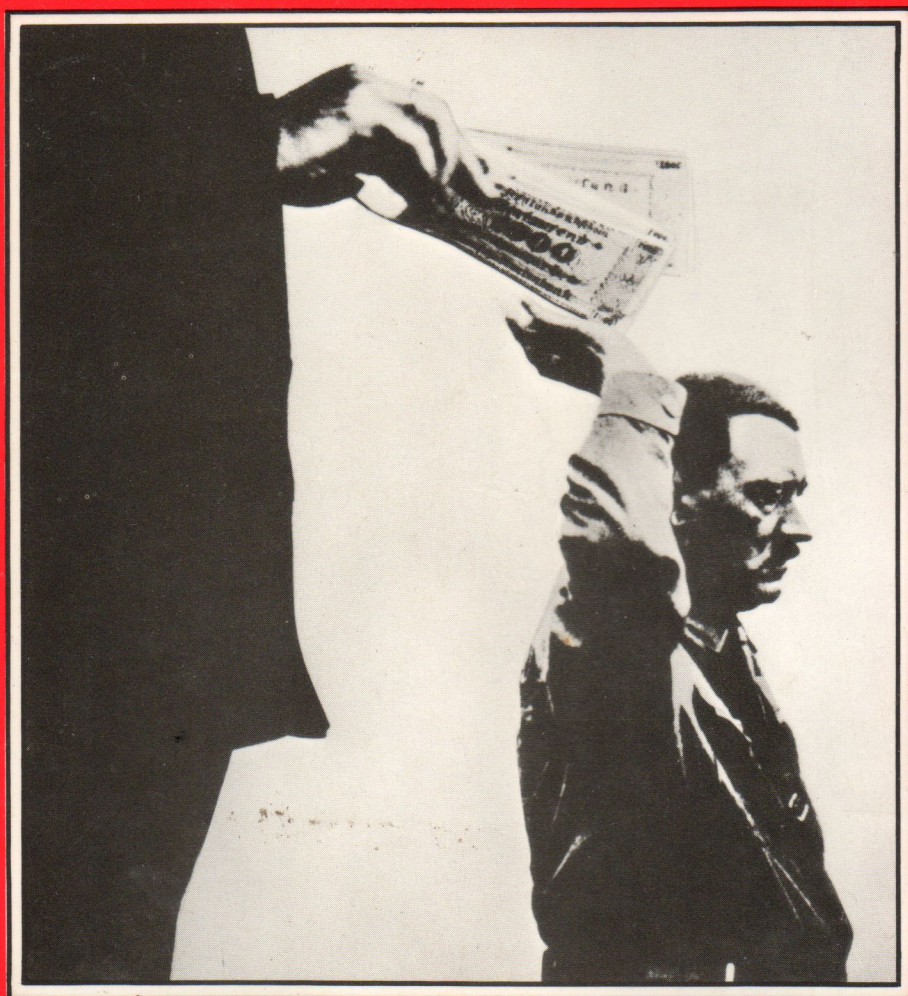


WHO FINANCED HITLER

The Secret Funding
of Hitler's Rise to Power
1919-1933



JAMES AND SUZANNE POOL

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slovakia, Finland, France, Italy, Holland, Hungary, Switzerland, Sweden, and the United States. It is true that some money came from Germans living in these countries, but most of it came from prominent foreign citizens. Their motives varied: Henry Ford wanted to spread his anti-Semitic philosophy, Mussolini hoped to encourage German fascism, Grand Duchess Victoria of Russia wanted to support anti-Communism, Sir Henri Deterding aimed to get back his oil interests confiscated by the Communists, etc.

Those who financed Hitler, both Germans and the foreigners, are just as responsible for his coming to power as the active Nazis who spread anti-Semitic propaganda or fought in the streets. Yet, because of their influence and the power of money, few of them were prosecuted at Nuremberg. Many are now exposed here for the first time.

Germany, Behrendt of the Foreign Office said that "they should be supported in some way, secretly if not publicly."⁴⁴

The German Foreign Office viewed the various Russian exiled political groupings in terms of their orientation toward either Germany or the Allied powers. Because of their close cooperation with the French, the liberals and socialists were not worth consideration; there remained either the Russian extreme Right or the Soviets as the only possibilities. White Russian leaders, for example, denounced the Versailles Treaty as "an insult to mankind."⁴⁵ For this reason the German government continued to show an interest in the right-wing Russian movement at the same time they were working toward closer relations with the Soviet government in preparation for the Treaty of Rapallo.

Since it was far from certain that the Communists would be able to remain in power, the German government had to maintain ties with the White Russians, just in case. Through Scheubner-Richter and right-wing parties like the Nazis, the German government could keep in contact with the Whites secretly, and be prepared for any eventuality, while they negotiated with the Soviets openly. Scheubner-Richter's connections with the German Foreign Office were very advantageous for Hitler because they gave the White Russians an exaggerated idea of the Nazi Party's influence on the German government.

One of the most important right-wing Russians to give his unqualified support to Hitler was General Vasili Biskupsky. Not only did he play a leading part in émigré politics, but he also acted as intermediary between Hitler and various financial backers, some of them beyond the White Russian circle. A handsome, dashing man, Biskupsky had the reputation of an able officer and even better gambler. When the revolution broke out, he was one of the youngest generals in the Russian Army, in command of the Third Corps in Odessa. After the evacuation of the Ukraine by the White forces, he made his way to Berlin. There he was a frequent visitor at the home of General Max Hoffmann, who had the financial backing of Sir Henri Deterding, the British-Dutch oil tycoon.⁴⁶ Together Biskupsky and Hoffmann plotted various schemes to reconquer the Caucasus oil field, but for the time being nothing came of them.

After the Kapp putsch, in which he was involved, Biskupsky fled to Munich and began to seek out new allies in the struggle

Certainly this does not mean he financed Hitler; however, his opinions did encourage many important Englishmen and Germans to back the Nazi leader. In the early thirties the influence of the monarch on the British upper class was still very great. Members of the British ruling class tried consciously or subconsciously to please the sovereign. Although Edward was not yet king at the time of Rosenberg's 1931 visit, men like Norman, Dawson, and Rothermere were undoubtedly aware of Edward's pro-German feelings and this gave them a certain amount of moral support for their own beliefs. Likewise, German industrialists and businessmen were impressed by Edward's favorable view of Hitler. In fact, most Germans believed that the British royal family held the reins of political power in their hands.⁷⁴ Thus, when they heard that the heir to the throne was pro-Nazi, the Germans mistakenly thought that the English government would accept his viewpoint as soon as he became king. This was one more reason why the Germans thought that a Nazi government would be welcomed by Britain.

In May 1933, Rosenberg made his second and last trip to England. Although his mission was not an outstanding success due to his tactless anti-Semitic remarks which were reported in the press, there was one noteworthy event during this trip. One weekend Rosenberg stayed at Sir Henri Deterding's palatial country home at Buckhurst Park, Ascot, only about a mile from Windsor Castle. Two newspapers reported that they had reliable information which verified the Rosenberg-Deterding meeting. *Reynold's Illustrated News* stated: "In the light of the present European situation, this private talk between Hitler's foreign advisor and the dominant figure in European 'oil politics' is of profound interest. It supports the suggestion current in well-informed political circles that the big oil interests have kept closely in touch with the Nazi Party in Germany."⁷⁵ This was not Rosenberg's first meeting with Deterding; they had met as early as 1931.⁷⁶

Who was Sir Henri Deterding and why did he invite a Nazi to his estate? Deterding was one of the wealthiest men in the world. His clandestine meetings with Hitler's representative gave little indication of the plots, intrigues, and secret transfers of money that were taking place between Deterding and Hitler.

The son of a seaman, Hendrik August Wilhelm Deterding was

born in Amsterdam in 1866. Fascinated by the swaying ships in the busy harbor, the young Hendrik dreamed of becoming a sailor. But due to his father's death when Hendrik was only six years old, the boy's career had to be something more practical and profitable to help the family's failing finances. After finishing his schooling, he got a job for six years as a bank clerk. Bending over ledgers filled with columns and columns of figures was grueling, monotonous work; nevertheless, he was quick to learn how business transactions were made and the importance of good investments. Soon he found a better job with the Netherlands Trading Society, and finally in 1896 Deterding joined the Royal Dutch Petroleum Company. Within four years he was Managing Director of Royal Dutch-Shell, an international combine created as a result of his successful efforts to merge the British Shell Oil Company with Royal Dutch.

Whether Deterding should be considered Dutch or English is a debatable question. The New York *Wall Street Journal* printed a statement by Richard Airey, president of Asiatic Petroleum Co., a Royal Dutch subsidiary, claiming that even though Deterding was made a Knight of the British Empire in 1920, "he was born a native Dutch subject. . . and will remain so until his death."⁷⁷ However, the British Embassy of Washington said that "to the best of its knowledge" Deterding was a naturalized British citizen. Despite his national origin, he lived in England, he wore finely tailored English clothes, he rode in English hunts, and he spoke English perfectly, though with a slight accent.

Judging from his appearance, one could not determine his nationality; he just looked like a wealthy European industrialist. Sir Henri was a short, stocky man with an ambitious, energetic, and effervescent personality. His rather large head seemed closely set on his body. Despite a headful of white hair and a bristly, trimmed white mustache, he seemed younger due to his ruddy complexion and black flashing eyes.

Each day he sat behind his large, carved wooden desk with the row of telephones at one end. These were Sir Henri's link with his worldwide business and political informants. Each ring of a phone would bring reports from important outposts, news of production, movements of oil tankers, fluctuations in the stock market, activities of his competitors, or the latest information about political tremors which might affect his investments.

By 1913, Deterding possessed the controlling interest in the oil fields of Romania, Russia, California, Trinidad, the Dutch Indies, and Mexico. He was also pumping oil out of Mesopotamia and Persia. Deterding was acknowledged as a man who had the sole executive rule over a large portion of the world's "black gold." One English admiral described him as "Napoleonic in his audacity and Cromwellian in his thoroughness."⁷⁸

Before the Communist Revolution in 1917, Dutch-Shell had large investments in the Russian Baku oil fields, as well as holdings in the Grosni and Miakop oil fields. When the British Army withdrew from Baku in the spring of 1920, the Red Army moved in and Moscow nationalized the oil fields. To add insult to injury, the Communists started to export oil in 1922 and their competition became a serious threat to the markets of Dutch-Shell.

From this point onward, Deterding aimed to destroy Bolshevism. His hatred drove him to support every anti-Communist or White Russian organization that he heard of. In 1924 he married a lady who was the daughter of a White Russian general. As a tireless enemy of the Soviet regime, he would always give his financial backing to anyone who proposed a plan that might have a chance of overthrowing the Communist rulers. Likewise, his wife was known to give large contributions to the exiled White Russian community; the money she distributed was of course her husband's, since she had little of her own.

Deterding was often accused of encouraging armed uprisings in Soviet Russia, such as the Georgian-Caucasian rebellion in 1924. This was the location of many of Russia's oil fields and if the rebellion had succeeded it would have greatly weakened the stability of the Moscow government. A *New York Times* correspondent wrote an article appearing on September 13, 1924, which stated: "It is understood, according to well-informed persons, that the Revolution is being financed [by] . . . former proprietors of Baku oil wells." Essad Bey, a member of the White Russian community, claimed that it was Deterding who supplied the money for the rebellion.

On January 5, 1926, there appeared in the *Morning Post* a vituperative letter by Deterding denouncing the Soviets as thieves: "What else is it [Communism] but lawlessness and an attempt to go back to the prehistoric world of right by force and brutal force only." Besides his own anti-Communist writings,

Deterding financed the quarterly English publication of the Society of Ukrainian Patriots—an organization whose aim was to break the Ukraine away from Soviet Russia.

Then, early in 1930, the trial for the chervonetz-forgery attempt was held in Berlin. Chervonetz were Russian [Georgian] banknotes, a tremendous number of which had been forged in order to create political turmoil and disorder in the Georgian Soviet Republic in the Caucasus. During the period of resulting chaos and economic instability, the White Russians were to have made a lightning attack on the Bolsheviks. Karumidze, the leader of the Georgians; General Max Hoffmann, a famous German Army general who died shortly before the trial; Georg Bell; a Bavarian businessman named Willi Schmidt; and Sir Henri Deterding were cited as accomplices in this scheme of forgery and plotted uprising. Schmidt said he had paid £250 for General Hoffmann's travel expenses to go to London, where certain financial and industrial leaders were anxious to see the plan succeed. Under cross-examination Schmidt said he trusted General Hoffmann not only because of his personal character but also because of his association with "big oil interests in England."⁷⁹ It was recorded that Karumidze mentioned Deterding as one of those who was in favor of the plan. General Hoffmann's widow testified that her husband had been invited by Deterding to London where the General explained his plan in exact military terms. Deterding admitted that he was connected with Hoffmann: "It is true that I knew General Hoffmann. I admired him as a man. I admired him as a soldier and leader of men."⁸⁰ However, Deterding denied that he was involved in the forgery scandal.

Since the forged notes had not yet been circulated, all of the accused were acquitted. After the trial the *New York Times* reported: "Although the [German] Foreign Office and the British Embassy declare that nothing will be kept from the public, it is an open secret that the police have orders to hush up the whole matter."⁸¹

Georg Bell, a mysterious German of Scottish origin who had many useful business and political connections, was said to be an agent of Deterding. He had attended a number of the "Ukrainian Patriots" meetings in Paris as a representative of both Hitler and Deterding. Because he knew Rosenberg and was a close friend of

Röhm, Bell was an excellent contact for Sir Henri to have with the Nazis. In 1931, the same year as Rosenberg's first visit, Bell came to London with orders signed by Röhm. His mission was to further the existing ties between England and Germany for a future alliance against Russia. The *Morning Post* somehow found out that Bell's instructions were "the same in substance as those carried by Herr Rosenberg on his recent visit to London."

Johannes Steel, a German writer and former agent of the German Economic Intelligence Service, gave evidence at the Inquiry into the Reichstag Fire that Sir Henri Deterding was giving money to the Nazis. In his book *Escape to the Present*, Steel wrote: "A private meeting of the Inquiry Board was called and I pointed out to the meeting that there were certain well-understood connections between Hitler and an international oil trust. I went into detail, citing the specific facts behind my allegations and telling the Inquiry Board where and how they might obtain documents to substantiate my points."⁸² Almost as soon as Steel had finished his indictment, the former editor of an important German newspaper jumped up quickly to remind the members of the board that these facts linking English business with Hitler could not be mentioned publicly since it might embarrass the British Foreign Secretary. A vote was then taken confirming the decision to keep the "facts" secret.

A *Daily Telegraph* reporter believed that Bell and Rosenberg met an international magnate in London and "big credits for the Nazis followed."⁸³ The Dutch press stated that Deterding sent to Hitler, through Georg Bell, about four million guilders.⁸⁴ Some said Sir Henri gave the Nazis money in exchange for their agreement to give him preferred standing in the German oil market when they came to power.⁸⁵ In 1931, it was reported that Deterding made a loan of £30 million to Hitler in return for a promise of a petroleum monopoly. Some claimed the loan was as much as £55 million.⁸⁶ Louis Lochner, former foreign correspondent and authority on the relation between Hitler and big business, mentioned an alleged "ten million marks" contribution by the Dutch oil lord to the Nazis.⁸⁷ With so many sources agreeing on the matter, there can be little doubt that Deterding financed Hitler. All that remains uncertain is the exact sum of money; nevertheless, one would not be injudicious to say it was substantial. Deterding had much to gain by financing the Nazis. They were a

strong anti-Communist party that was planning to eventually attack Russia and throw out the Bolsheviks.⁸⁸ But even if the Nazis did not come to power, Deterding had much to gain; as the largest party in the German Reichstag, the Nazis could use their influence to push the German government in an anti-Soviet direction.

In the middle of 1936, Sir Henri divorced his wife and married a thirty-year-old buxom German woman, who was his former secretary and a devoted Nazi. For a while they lived on the outskirts of Berlin near the Wannsee, but they soon moved to his estate in Mecklenburg. His German estate was presumably tax exempt, according to a report written by Rosenberg. The report said "the misunderstanding over the tax situation connected with Deterding's German property" was straightened out and resulted in "a closer link" between the Nazis and the Deterding circle. This bargain prevented any change in Dutch-Shell's arrangements with Germany, which included some "important commissions."⁸⁹

Deterding's biographer, Glyn Roberts, said that after Sir Henri's new marriage he "thought like a true Nazi."⁹⁰ His new scheme to help the Nazis was to send all of Holland's agricultural surplus to Germany, which was in need of more food for her people. The Nazis, of course, were always pleased with a helping hand even after they were in power.

Bavaria had always been one of the most powerful German duchies; however, in 1806 Napoleon made it a kingdom as a reward for being his ally against Austria. Maximilian, head of the Bavarian royal house of Wittelsbach, was crowned king. To further strengthen the tie between Bavaria and France, Napoleon arranged a political marriage between his stepson Eugene and Princess Augusta, a daughter of Maximilian. At first Eugene was not too pleased with the idea of an arranged marriage, but when he saw his bride he was completely enchanted, for she was a very beautiful woman.⁹¹

This historical account might facilitate an understanding of the financial contribution made by France to the Bavarian monarchist and anti-Weimar political parties in the 1920s. For several centuries one of France's major aims in foreign policy was the containment of her continental rival, Germany. After World War

- Bullock, *Hitler: A Study in Tyranny*, p. 243; Oswald Dutch, *The Errant Diplomat: The Life of Franz von Papen* (London, 1940), p. 169.
- ⁵⁴Quoted in A. J. P. Taylor, *Beaverbrook* (London, 1972), p. 322.
- ⁵⁵Louis P. Lochner, *Tycoons and Tyrant*, p. 111.
- ⁵⁶After the September 14, 1930, election, Rothermere's article appeared in the *Daily Mail* and the *Völkischer Beobachter*. For excerpts of the article, see: Konrad Heiden, *Der Fuehrer*, pp. 354–355; Lüdecke, *op. cit.*, pp. 344–345.
- ⁵⁷Franklin R. Gannon, *The British Press and Germany, 1936–1939* (Oxford, 1971), p. 25.
- ⁵⁸*Hitler's Secret Conversations*, p. 551 and pp. 375–376. Also see: Sir Oswald Mosley, *op. cit.*, p. 343 and p. 346.
- ⁵⁹*Daily Mail*, July 10, 1933, p. 10.
- ⁶⁰*Daily Mail*, September 21, 1936, p. 12.
- ⁶¹*Daily Express*, May 12, 1938, p. 12.
- ⁶²*Sunday Times*, March 26, 1939, p. 7.
- ⁶³*Hitler's Secret Conversations*, p. 557.
- ⁶⁴*Ibid.*, p. 556.
- ⁶⁵Frances Donaldson, *Edward VIII: A Biography of the Duke of Windsor* (Philadelphia and New York, 1974), p. 207.
- ⁶⁶Sir Henry Channon, *Chips, The Diaries of Sir Henry Channon* (London, 1967), p. 35.
- ⁶⁷*Ibid.*, p. 84.
- ⁶⁸Quoted in Donaldson, *op. cit.*, p. 217.
- ⁶⁹Mosley, *op. cit.*, pp. 265–266.
- ⁷⁰*Hitler's Secret Conversations*, p. 551.
- ⁷¹Brian Inglis, *Abdication* (New York, 1966), p. 122.
- ⁷²Donaldson, *op. cit.*, p. 219.
- ⁷³Ralph G. Martin, *The Woman He Loved* (New York, 1973), p. 390.
- ⁷⁴Donaldson, *op. cit.*, p. 215.
- ⁷⁵Roberts, *op. cit.*, p. 319.
- ⁷⁶*Ibid.*, p. 266. Also see: Willi Muenzenberg, *Brown Book of the Hitler Terror*.
- ⁷⁷*Wall Street Journal*, March 27, 1928.
- ⁷⁸Ludwell Denny, *America Conquers Britain*, p. 230.
- ⁷⁹Roberts, *op. cit.*, p. 307.
- ⁸⁰*Ibid.*, pp. 307–308.
- ⁸¹*Ibid.*, p. 311.
- ⁸²Johannes Steel, *Escape to the Present* (New York, 1937), p. 191.
- ⁸³Roberts, *op. cit.*, p. 317.
- ⁸⁴*Ibid.*, p. 305.
- ⁸⁵Edgar A. Mowrer, *Germany Puts the Clock Back* (New York, 1933), p. 145.
- ⁸⁶Roberts, *op. cit.*, p. 322.
- ⁸⁷Lochner, *op. cit.*, p. 111.
- ⁸⁸Hitler, *Mein Kampf*, (Boston, 1971), p. 660.
- ⁸⁹Winterbotham, *op. cit.*, p. 80.
- ⁹⁰Roberts, *op. cit.*, p. 322. Other reputable sources have cited Deterding as a support of the Nazis. See: Walter Gorlitz and Herbert A. Quint, *Adolf Hitler—eine Biographie* (Stuttgart, 1952), p. 279; Hitler, *Mein Kampf* (New York, 1940) editors' fn, p. 822; Carroll Quigley, *Tragedy and Hope: A History of the World in our Time* (New York, 1966), p. 514.
- ⁹¹M. De Bourrienne, *Memoirs of Napoleon Bonaparte*, 4 vols., (London, 1836), 2:351.
- ⁹²Walter H. Kaufmann, *Monarchism in the Weimar Republic*, p. 82.
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