

Conjuring Hitler

How Britain and America Made the Third Reich

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For Suzanne

Acknowledgments

I wish to thank first of all my institution, the University of Washington, Tacoma for the unwavering support it afforded me in conducting research on this theme and developing it in the course of a five-year long series of lectures. In particular my thanks go to Director and Professor Bill Richardson, Professor Anthony D'Costa and Professor Michael Allen. I am also greatly indebted to Professor Zarembka for the warm endorsement of my project, and to Roger van Zwanenberg at Pluto Press for taking his chances with me, shaping the script, and purging many a noxious metaphor. No less vital have been the help and protection of a thick cohort of guardian angels led by: Dr. Faride Motamedi and Professor John Elliott, who shielded me always; Professor Monika Sudjian, who opened *Deushtum* to me, and shared the anguish of the exile; and Professor Mariano Bizzarri, who among many things told me to beware of 'men that speak to flowers'. Family and friends in Italy, France and Tacoma are in my thoughts –a special salute goes to my companion Andrea.

Contents

<i>List of Figures</i>	v
A Chronology of Germany's Undoing, 1900-1945	vii
Preface	ix
Introductory: The Eurasian Embrace. <i>Laying Siege to Germany with World War One, 1900-1918.</i>	1
<i>The Second Reich: The Tragedy of an Imperial Upstart</i>	2
<i>The Heartland, the Crescent and the Nightmare of British Geopolitics</i>	6
3. <i>The Blood of the Romanovs and the Encirclement of Germany</i>	12
4. <i>The 'Useful Idiots' of Sarajevo</i>	16
5. <i>Besieging Germany</i>	18
6. <i>Conjuring Lenin</i>	21
7. <i>The Last Days of America: from Republic to Truculent Empire</i>	29
The Veblenian Prophecy. <i>From the Councils to Versailles by Way of Russian Fratricide, 1919-1920.</i>	36
1. <i>The Impossible Revolution</i>	37
2. <i>Inducting Hitler into the Mother Lodge</i>	47
3. <i>The Allied Betrayal of the Russian Whites</i>	50
4. <i>The Peace Treaty That Was Too Harsh</i>	60
5. <i>Dreaming of Hitler and Deciphering Versailles</i>	65
The Meltdown & the Geopolitical Correctness of <i>Mein Kampf. Between the Kapp and the Beerhall Putsch, 1920-1923</i>	76
<i>Erzberger: One Man Alone against the Inflation</i>	77
<i>Hiring Trebitsch to Foil the Kapp Putsch</i>	83
3. <i>Rathenau, The Reluctant Victim of the Russo-German Pact</i>	93
<i>The Hyperinflationary Purge of 1923</i>	100

<i>The Maiden Storm of the Nazi Fundamentalists</i>	107
4. 'Death on the Installment Plan', <i>Whereby Governor Norman Came to Pace the Damnation of Europe, 1924-1933</i>	119
<i>The Banking 'Grid' and the Rules of the Gold Game</i>	120
2. <i>Montagu Norman and the 'Nationalization' of the Bank</i>	126
3. <i>The Dawes Bailout and the Hierodule Schacht</i>	135
4. <i>I. G. Farben and Germany's First Five-Year Plan</i>	140
5. <i>Britain's Grand Charade to Crash the New Gold Standard</i>	145
6. <i>The Last Scheme of Kurt von Schleicher and the End of Weimar</i>	156
<i>The Reich on the Marble Cliffs. Fire, Legerdemain and Mummery all the Way to Barbarossa, 1933-1941</i>	174
<i>Nazi Coup d'Etat</i>	175
<i>Money Magic, Work Creation and Foreign Aid</i>	181
<i>A British Masquerade to Entrap the Germans Anew</i>	194
<i>A Soviet Tale of Madness and Sacrifice</i>	207
<i>Fake War in the West, True Push in the East</i>	215
6. Conclusions	229
7. Select Bibliography	236

List of Figures

Eurasia and the Fault-Line	9	
White Nests in the Russian Civil War		56
3. The London/New York Tandem Discount Policy, 1919-1932	132	
4. Sterling-Dollar Exchange, 1919-1933	134	
5. The Cycle of Work Creation	187	
6. The Masquerade of His Majesty's Stewards and Diplomats	197	
7. Alliances and Threats on the Eve of the Czechoslovak Crisis, 1938	204	

A Chronology of Germany's Undoing, 1900-1945

1900	The Construction of the German Imperial fleet proceeds apace.		Beerhall putsch.
1904	Strategic allegiance between Britain and France.	1924	<i>April-September:</i> Announcement and implementation of the Dawes Bailout. <i>December:</i> Hitler is amnestied.
1907	Triple Entente of Britain, France and Russia, designed to encircle Germany.	1925	<i>April:</i> Britain goes back to gold.
1914	Outbreak of WWI.	1927	<i>July:</i> Central bankers' conference at Long Island.
1916	Russian attempts at a separate peace with Germany. <i>December:</i> murder of Rasputin.	1928	<i>May:</i> The Nazis gather 2.6 % of the vote in the national elections.
1917	<i>March:</i> Deposition of the Czar. <i>April:</i> the US joins the war. <i>October:</i> Bolshevik takeover.	1929	<i>September:</i> London precipitates the crash in New York. Extinction of the steady financial transfer from America to Germany.
1918	<i>March:</i> Peace between the Reich and the Bolsheviks. <i>November:</i> capitulation of the Reich.	1930	<i>September:</i> soaring unemployment; Nazi breakthrough at the elections: 18.7 %.
1919	<i>January-May:</i> Civil tumult in Germany; beginnings of the Weimar Republic <i>June:</i> ratification of the Versailles Treaty. <i>September:</i> Hitler becomes a politician.	1931	<i>March:</i> Aborted project for an Austro-German Union. <i>May:</i> Collapse of the Creditanstalt in Austria. <i>July:</i> German banking crisis. <i>July-September:</i> Britain wrecks the Gold Standard. <i>October:</i> Hitler encounters Hindenburg.
1920	Allied sabotage of the Russian counter-revolutionaries. <i>March:</i> Kapp putsch. <i>September:</i> Veblen casts his prophecy.	1932	<i>May:</i> Baronial Cabinet of Papen. <i>June:</i> End of Reparations. <i>July:</i> The Nazis garner 37.3 % of the ballot. <i>November:</i> the Nazis lose 2 million votes; Hindenburg refuses to make Hitler chancellor. <i>December:</i> Schleicher becomes Chancellor; unemployment in Germany at 40%.
1921	<i>August:</i> Assassination of Erzberger.	1933	<i>January:</i> Meeting at Schroeder's
1922	<i>April:</i> Russo-German pact. <i>June:</i> Assassination of Rathenau.		
1923	Inflationary debacle in Germany. <i>January:</i> French Invasion of the Ruhr. <i>November:</i> the Hitlerites'		

- 1933 on the 4th; Hitler sworn in on the 30th. *February*: Reichstag Fire. *March-August*: Nazi consolidation of Power; promotion of Work Creation under Schacht. aerial campaign versus England. *December*: Preparation completed in Germany for the invasion of Russia (Barbarossa).
- 1934 *June*: Röhm Purge. *July*: Anglo-German Financial Agreement. *August*: Hitler is acclaimed Reichsführer; Rearmament is launched in earnest; heavy Anglo-American investment in Germany. 1941 *March-May*: German success in the Mediterranean Basin. *May*: Hess vanishes. *June*: The Nazis invade the USSR.
- 1935 *June*: Anglo-German Naval Pact. 1943 *January*: German surrender in Stalingrad. *May*: the Axis capitulates in North Africa. *July*: the Allies land in Sicily.
- 1936 Peak of British Appeasement. *March*: Militarization of the Rhineland. *September*: Lloyd George visits Hitler. *December*: the 'pro-Nazi' King Edward abdicates. 1944 *June*: Allied debarkation in Normandy (D-Day).
- 1937 *October*: The Windsors tour Germany. *November*: Lord Halifax flies to Germany to give Hitler the green light. 1945 *March*: the Americans cross the Rhine. *May*: Germany is finished.
- 1938 Culmination of Nazi boom: erasure of unemployment. *March*: annexation of Austria. *September*: emasculation of Czechoslovakia at Munich.
- 1939 *March*: Nazi Seizure of Czechoslovakia; official split of the British Establishment in dealing with Germany; British unilateral guarantee to Poland. *August*: Russo-German pact for the partition of Poland. *September*: the 'Phoney War' begins.
- 1940 *April-June*: Nazi offensive in the West and capitulation of France. *July*: secret talks with Windsor in Spain. *August-September*: failed

Preface

Nazism. For many this topic is a fixation, especially for the peoples that suffered defeat and utter disfigurement because of it. Being Italian, I remember clearly my paternal grandfather reminiscing interminably about the days of Fascism, echoed by my grandmother; he never seemed able to untangle within himself the knot of sentiments towards Mussolini, the Germans, the war, and the horror of it all. At times he wished the Axis had won the war, at others he fancied France had not fallen so fast as to precipitate Italy in her catastrophic downfall –he would eventually experience combat in the Balkans, survive and remain indissolubly tied to the old world till his death, long after 1945. My father and I –the ‘modern ones’– would listen to these tirades, rolling our eyes, and excusing the impropriety of even alluding to a possible Nazi victory on account of grandfather’s earnest but essentially ‘screwed-up’ worldview. A worldview that, as we moderns had come to learn, had spelled the damnation of Europe and justified the Americanization of the vanquished. But the Pax Americana that followed, deep down, was itself of dubious value: it began with a nuclear holocaust, brought affluence to the West perhaps, but gave very little by way of peace to the rest of the world. And what was left to feel of the defeated West was dismal: Germans and Italians had been reduced to a couple of emptied out, identityless tribes.

Presently, in the collective imagination of the West, there is nothing worse than Nazism. No greater sacrilege, no greater manifestation of brutality, inhumanity, and deception than the rule of this unique regime that held sway over Central Europe for a dozen years. The Nazis violated life in ways unseen, and the record of their atrocities during the war grew to be such that after their defeat, Germany was prostrated by a moral lapidation on the part of the victors, which still hasn’t ceased. Ever since, a continuous torrent of books, articles, instruction and films, crafted by the Anglo-Americans, and diffused by their acquired minions in Europe, has flooded the venues of debate, impeding any views other than the ‘truth’ of the establishment. This truth being that Europe had been compromised by the belligerence of the outcast in her fold: the accursed Germans, who plunged their European brethren into war, and deservedly suffered thereby, all of them, the benign domination of their ‘American uncles’.

I wanted to understand how all this came to pass. I wondered how Europe could commit such a messy suicide as to give herself to a foreign ruler possessed by a world-view different from the old one, yet equally violent and barbarous. And to answer the question it was obvious that I had to turn to the recent origin of the story, and that is to the Nazi curse itself. Why did it happen?

Being an economics graduate, I began by directing my interest to the Nazi boom of the Thirties and the financial contrivances employed to fuel the recovery, which later formed the topic of my doctoral dissertation. The research expanded around that core over the course of nearly a decade.

In this study there is no desire to reassess the record of the German cruelties: these have been sufficiently scrutinized –although only with anatomical (thus voyeuristic) fascination. Rather, it is my intent to push back the point of attack of this story by a few years: for the official ‘narratives’, which are for the most part biased either by excessive contrition or apologia if written by Germans*, and more or less subtle

* Ernst Nolte’s *Der europäische Bürgerkrieg, 1917-1945: Nationalsozialismus und Bolschewismus* (*The European Civil War, 1917-1945: National-socialism and Bolshevism*. 1987. Berlin: Propyläen Verlag) is a fair instance of a mitigatory approach to the rise of Nazism.

execration if written by Anglo-Americans^{*}, generally course through the gestation of Nazism only to dismiss it as a confused interlude marked by the raving vengefulness of the old Germany, and by the alleged effects of ‘great historical forces’ and ‘irrationalism’ –two half-baked, and substantially meaningless notions, in fact.

The poor treatment of the Nazi gestation is due to two factors: first, the historical interval that covers the breeding of Hitlerism is notoriously complex –and that does not make for ‘good cinema’: for instance, when the Crisis hit the West in 1930, and the Nazis began to gather votes, Liberal historians hand the narration over to their fellow economists, and the economists, who understand famously nothing of the Crisis, throw it back to the historians, who are thus saddled with the last and sadly disappointing word in the current, miserable explication of the Nazis’ rise to power.

Second, a detailed analysis of the emergence of Nazism is generally shunned so it seems, for it might reveal too much; in truth, it might disclose that the Nazis were *never* a creature of chance. The thesis of the book suggests that *for the length of fifteen years (1919-1933)*, the Anglo-Saxon élites tampered with German politics with a conscious intent to obtain a reactionary movement, which they could then set up as a pawn for their geopolitical intrigues. When this movement emerged immediately after WWI in the shape of a religious, anti-Semitic sect disguised as a political party (i.e. the NSDAP), the British clubs kept it under close observation, proceeded to endorse it semi-officially in 1931 when the Weimar Republic was being dismantled by the Crisis, and finally embraced it, *with deceit*, throughout the Thirties. This is to say that although England did not conceive Hitlerism, she nonetheless created the conditions under which such a phenomenon could appear, and devoted herself to support financially the Nazis and subsequently arm them to their teeth with the prospect of manipulating them. Without such methodical and unsparing ‘protection’ on the part of the Anglo-American élites, along with the complicit buttress of Soviet Russia, there would have been no Führer and no Nazism: the political dynamism of the Nazi movement owed its success to a general state of instability in Germany, which was wholly artificial—a wreckage engineered by the Anglo-American clubs themselves.

By ‘clubs’ and ‘élites’ I mean the established and self-perpetuating fraternities that ruled the Anglo-Saxon commonwealths: these were (and still are) formed by an aggregation of dynasts issued from the banking houses, the diplomatic corps, the officer caste, and the executive aristocracy, which still remains solidly entrenched in the constitutional fabric of the modern ‘democracies’. These ‘clubs’ act, rule, breed and think like a compact oligarchy, and co-opt the middle-class to use it as a filter between themselves and their cannon fodder: the commoners. In fact, in the so-called ‘democratic constituency’, which represents to date the most sophisticated model of oligarchic rule, the electorate wields no clout whatever, and political ability is but another expression for the powers of persuasion needed to ‘build consensus’ around (momentous) decisions already taken elsewhere[†].

^{*} A literally stereotyped production stretching from, say, William Shirer’s *The Rise and Fall of the Third Reich* (1960. New York: Simon & Schuster) to Michael Burleigh’s *The Third Reich, A New History* (New York: Hill and Wang), or Ian Kershaw’s recent biography of Hitler (in two volumes: *Hubris*, 1998, and *Nemesis*, 2000. New York: W.W. Norton & Company).

[†] So-called ‘democracy’ is a sham, the ballot a travesty. In modern bureaucratized systems, whose birth dates from the mid-XIXth century, the feudal organization has been carried to the next level, so to speak. A chief objective of what Thucydides referred to in his epoch as *synomusiai* (literally ‘exchanges of oaths’) –i.e., the out-of-sight fraternities acting behind the ruling clans— has been to make the process of the exaction of rents from the population (i.e. a ‘free income’ in the form of rents, financial charges and like thefts) as unfathomable and impenetrable as possible. The tremendous sophistication, and the propagandistic wall of artfully divulged misconceptions surrounding the banking system (we will return to this theme in Chapter 4), which is the chief instrument wherewith the hierarchs expropriate and control

The story told in this book is the story of the British empire, which by 1900, fearing the rising power of the young German Reich contrived in secrecy a plan for a giant encirclement of the Eurasian land-mass. The main objective of this titanic siege was the prevention of an alliance between Germany and Russia: if these two powers could have fused into an 'embrace', so reasoned the British stewards, they would have come to surround themselves with a fortress of resources, men, knowledge and military might such as to endanger the survival of the British empire in the new century. From this early realization, Britain embarked upon an extraordinary campaign to tear Eurasia asunder by hiring France and Russia, and subsequently America, to fight the Germans. The vicissitudes of the first half of the twentieth century made up the epic of the great siege of Europe.

As will be shown in Chapter 1, WWI completed the first act of the attack, which was crowned by the imperial ingress of the United States on the grand chessboard. Germany had lost the war, but she had not been defeated on her own territory; Germany's élites, her political and economic structure had remained intact. Thus after 1918 began the second act of the siege: that is, an astounding political maneuver willingly performed by the Allies to resurrect in Germany a reactionary regime from the ranks of her vanquished militarists. Britain orchestrated this incubation with a view to conjuring a belligerent political entity which she encouraged to go to war against Russia: the premeditated purpose was to ensnare the new, reactionary German regime in a two-front war (WWII), and profit from the occasion to annihilate Germany once and for all. To carry out these deep, and painstaking directives for world control, two conditions were necessary: 1) an imposing, and anti-German regime secretly aligned with England had to be set up in Russia, and 2) the seed of chaos had to be planted in Germany to predispose the institutional terrain for the growth of this reactionary movement of 'national liberation'. The first objective was realized by back-stabbing the czar in Russia in 1917 and installing the Bolsheviks into power; the second by drafting the clauses of the Peace Treaty so as to leave the dynastic clans of Germany unscathed: indeed, it was from their fold that Britain expected the advent of this revanchist movement (Chapter 2).

the wealth of their supporting community, is the limpid testimony of this essential transformation undergone by the feudal/oligarchic organization in the modern era. The West has moved from a low-tech agrarian establishment built upon the backs of disenfranchised serfs to a highly mechanized post-industrial hive that feeds off the strength of no less disenfranchised blue- and white-collar slaves, whose lives are mortgaged to buy into the vogue of modern consumption. The latter-day lords of the manor are no longer seen demanding tribute since they have relied on the mechanics of banking accounts for the purpose, whereas the sycophants of the median class, as academics and publicists, have consistently remained loyal to the *synomosi*. The other concrete difference between yesterday and today is the immensely increased throughput of industrial production (whose potential level, however, has always been significantly lower than the actual one –to keep prices high). As for the 'democratic participation' of the ordinary citizens, these know in their hearts that they never decide anything of weight, and that politics consists in the art of swaying the mobs in one direction or another according to the wishes and anticipations of the few having the keys to information, intelligence and finance. These few may at a point in time be more or less divided into warring factions; the deeper the division, the bloodier the social strife. The electoral record of the West in the past century is a shining monument to the utter inconsequence of 'democracy': in spite of two cataclysmic wars and a late system of proportional representation that yielded a plethora of parties, western Europe has seen no significant shift in her socio-economic constitution, whereas America has become, as time progressed, ever more identical to her late oligarchic self, having reduced the democratic pageant to a contest between two rival wings of an ideologically compact mono-partite structure, which is in fact 'lobbied' by more or less hidden 'clubs': the degree of public participation in this flagrant mockery is, as known, understandably lowest: a third of the franchise at best.

What unraveled in Germany after the Great War was the life of the Weimar Republic –the puppet regime of the West, which incubated Nazism in three stages: a period of chaos ending with the hyperinflation and the appearance of Hitler (1918-1923, dealt with in Chapter 3); a period of artificial prosperity during which the Nazis were quiet and the future war machine of Germany was in process of being assembled with American loans (1924-1929); and a period of disintegration (1930-1932) paced by the financial mastermind of the XXth century: Montagu Norman, the Governor of the Bank of England (Chapter 4).

After the incubation was completed and the Hitlerites obtained with the aid of Anglo-American financial capital the chancellorship of the Reich (January 1933), began the formidable recovery of Germany under the Nazi wing, British loans, and the financial artistry of Germany's central banker: Hjalmar Schacht –Montagu Norman's protégé. There followed the unbelievable 'dance' of Britain and Nazi Germany (1933-1943), led by the former to push the latter to go to war against Russia. And Russia, too, acting in sync with London, appeased the Nazis in order to lure them into the trap of the Eastern Front. England put out a mesmerizing show by feigning before the world that her ruling class was divided between pro-Nazis and anti-Nazis, and that such a scission accounted for the apparent lack of commitment to fight Hitler on the Western front after the invasion of Poland had triggered WWII. The truth was quite different: a bargain was being transacted behind the scenes; Britain prevented calculatingly the Americans from opening a western front for three years so as to allow the Nazis to penetrate and devastate Russia undisturbed in exchange for a prompt evacuation of German forces from the Mediterranean basin, which was one of England's zones of vital interest. In the end, after this spectacular feat of dissimulation, Britain dropped the mask and closed in on the duped Nazis, who would be crushed on two fronts by the colluded Soviet and Anglo-American forces (Chapter 5).

To annihilate the German threat, the British ruling élites had gambled for high stakes; they had woven for the length of over thirty years (1914-1945) a web of financial machinations, international complicities, intelligence conspiracies, diplomatic devilry, military savvy, and inhuman mendacity, they finally succeeded. This game for Anglo-American supremacy came at the cost of approximately 70 million lives (two world wars): a holocaust whose nature is beyond words. Both conflicts were willed and set off by Great Britain. In the first one, it was political incapacity that lost Germany, in the second there was no longer a Germany worth speaking of: all we see is a benumbed population harnessed to a native automaton fitted, armed and wound up by the British (and the Soviets).*

* The leitmotiv of this book is the conscious nature of the effort expended by the British clubs to preserve the Empire, being it understood that such an effort was worthwhile even if it meant surrendering leadership to the American brethren, whom the London clubs cultivated as their spiritual heirs. The message conveyed here is that Britain's imperial way was possibly the most atrocious manifestation of machiavelism in modern history for she did stop at nothing to defend her dominant position; she knew of no means that could not justify the end. To achieve world hegemony, Britain did not retract from planning in Germany an interminable season of pain and chaos to incubate an eerie, native force, which she thought of manipulating in a second world conflict –that too an idea of hers. All of this was from the beginning in 1919 till the end in 1945 a cool-headed, calculated plot. Needless to say, I am well aware that such a thesis might too easily lend itself to being booed by the patriotic 'experts' of western academia as yet another grotesque conspiracy theory; but, in fact, this thesis provides no more than a thread with which one may finally string together a collection of clues and solid evidence, which have been available for years, and have formed ever since a platform for dissenters –that is for those students of history and economics that have had the candor to acknowledge that the central tenet of international relations was then as now *secrecy*. One need only think of the multibillion dollar budgets devoted in our time to so-called 'intelligence' – pork managed by non-elected 'officials' and earmarked for: undisclosed acts of sabotage and disinformation perpetrated at home and abroad, nebulous 'surveys', mercenary commissions,

So the West has to think again –to think, in fact, that there *is* something far worse than Nazism, and that is the hubris of the Anglo-American fraternities, whose routine is to incite indigenous monsters to war, and steer the pandemonium to further their imperial aims.

and god-only-knows what else, of which the tax-payers themselves have naturally no intelligence whatsoever. Again, the democratic public is to have no say, yet is enjoined to pay for allowing the absentees to conspire behind closed doors. True, not all conspiracies succeed –some are riper ‘for the times’, as they say, than others— but all great historical developments, good or ill, are unfailingly animated, fought and countered by the initiates of the several antagonistic ‘societies’; and the herds, despite themselves, always follow. In the twentieth century, it is the Anglo-American clubs that have carried the day –and their tenure has little to do with human rights, free markets and democracy, regardless of what they may shamelessly profess. What follows is the story of the most important battle they victoriously fought so far: the horrifying campaign against Germany.