

187
AMERICAN CONSULATE GENERAL

Berlin, May 23, 1933.

STRICTLY CONFIDENTIAL

Memorandum for Mr. Messersmith:

Interview of Consul Morgan and Dr. Mattusch
with Dr. Wienbeck*, Commissioner for
the Industrial Middle Classes

Dr. Wienbeck was first asked about the possibility of the issuance of a comprehensive Middle Class Law which had been forecast by the press. He stated that it was not the intention of the Ministry of Economics to make a single law covering all the questions affecting the middle classes but that a number of individual laws would be put into effect. Two of these measures had just been promulgated, i.e., the law prohibiting premiums and the law prohibiting the opening of new retail stores. To complete the program the Ministry contemplated the issuance of laws with regard to the "Hauszinssteuer", to "Schwarzarbeit", to the licensing of handicraft shops and to the limitation of the activities of the publicly owned enterprises (staatliche Regie-Arbeiten).

He stated that a draft of a so-called "Middle Class Law" had recently been worked out by the Finance Ministry. This draft law aimed at the elimination of the department stores and consumers' cooperatives by means of discriminatory taxation. This draft law had been abandoned, however, as it was recognized that too rapid elimination of these branches of trade would endanger the economic system. The measures contemplated at present are of a far less radical character.

Dr. Wienbeck stated that he believed that the leaders of the Kampfbund planned no drastic action against department stores or unit price stores. The time when such stores had been closed, their windows broken, etc. had passed. Such action had been taken in the first revolutionary fervor by irresponsible individuals who wanted to see something happen, or as Dr. Wienbeck put it "to see a nigger lynched". When asked as to his authority, if any, over the Kampfbund he stated that he had none. Such authority was exercised only by the National Socialist Party or through the police power of the Ministry of the Interior. He stated that the views of Goebbels and Goering were considerably more moderate than those of their subordinates and that they were having great difficulty in making their moderate views accepted by their subordinates.

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* Dr. Wienbeck has the rank of Ministerialdirektor in the Ministry of Economics.

When questioned as to the role of the middle class in the National Socialist "Staendestaet" (organic state) Dr. Wienbeck stated that the question had no practical significance. None of the Nazi leaders, he declared, were yet in a position to explain to him what a "Staendestaet" really means. He believes that the idea of the "Staendestaet" is interesting as a theory but that it is unworkable. The interests of employers and employees always differ and it is impossible to abolish this difference. At the time of the revolution of 1918 equal representation of employers and employees was proposed and the Reichswirtschaftsrat as originally planned was supposed to be the organ of such representation. Dr. Wienbeck prophesied in 1918 that the carrying out of this idea was impossible and he still believes that it is impossible. That the preparatory steps for the foundation of the "Staendestaet", e.g., the creation of the various Federal estates (Reichsstaende) have already been taken, does not in his opinion prove that the idea on which they are based is workable. The tension existing among the various economic groups is not abolished by the creation of "Reichsstaende". At the same time all these experiments are very costly and can not possibly be carried through for a great length of time. He doubts that the idea will obtain any great hold on the people because the workman is not interested in ideology but wages. He does not care whether he gets his wages from a liberalistic-capitalistic state or an organic state, so long as he gets them.

Discussion of the "Staendestaet" led Dr. Wienbeck to express his opinion of the "Fuehrer" idea, the idea of leadership which is so strongly advocated by the National Socialists. He is of the opinion that this idea is in danger of being carried too far. Young men of 28 to 30 without any practical experience can not possibly lead large economic organizations especially if the members of these organizations do not fully agree with the notions of the leader assigned to them. A leader can not acquire the support of his followers if their consent is not sought but if they are only commanded. He believes that their obvious inadequacies will soon lead to the overthrow of those leaders who do not base their leadership upon real capacity and insight into the economic conditions. He spoke of Dr. Hugenberg* as a true leader and a man of the greatest ability and insight into economic necessities. Dr. Wienbeck believes that at present the discipline among high Nazi leaders is already doubtful and that it is not unlikely that changes as indicated above will occur within half a year or a year. In any case, the future development will depend on economic necessities and the state of Germany's finances rather than on ideological schemes.

* Dr. Wienbeck belongs to the Deutsch National (Hugenberg) Party.