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0521533112 - Ambassador Frederic Sackett and the Collapse of the Weimar Republic, 1930-1933: The United States and Hitler's Rise to Power

Bernard V. Burke

Excerpt

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Introduction

THE PURPOSE of this study is to tell the story of how a lawyer, businessman, and United States senator from Kentucky, who was appointed as American ambassador to Germany, reacted to the collapse of the Weimar Republic and to Hitler's rise to power. Thrust into the center of activity in Berlin because he understood business and finance, and because he was almost certain to be defeated in his campaign for reelection to the United States Senate, Frederic M. Sackett, Jr., played a meaningful role in momentous events. He was a central figure in American attempts to save republicanism in Germany, and to thwart Hitler's rise to power. His mission is inherently fascinating because it involved the American response to the rise to power of one of the most significant figures in twentieth-century history. It is also important because Sackett represents an outstanding example of a diplomat who became exceptionally dedicated to advancing the policy of the nation to which he was accredited. Throughout his tenure in Berlin, he followed American foreign policy, but he did so by favoring German foreign policy goals, and especially those of Chancellor Heinrich Brüning.

Sackett, of course, did not act alone. The American response to events in Germany involved numerous statesmen and diplomats as well as financiers and bankers. The American embassy in Berlin, headed by Sackett, was ably served by professional diplomats, among whom the most important were Foreign Service officers George Gordon, John Wiley, and George Messersmith. In Washington, President Herbert Hoover played a prominent role, as did Secretary of State Henry Stimson, Undersecretaries Joseph Cotton and William Castle, and a host of diplomats in the State Department. German, French, and British statesmen and diplomats acted and reacted with Sackett as they wrestled with the problems Germany encountered in the depression, the financial crisis in 1931, and the threat that Hitler posed to democracy and the republic.

Events were played out during Herbert Hoover's administration (1929–1933) that coincided with the collapse of the Weimar Republic and Adolf

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Hitler's rise to power. It was a dismal time in the United States and Germany, which were both dominated by the Great Depression, an economic crisis that had important political ramifications. President Hoover was virtually driven from office as a result of the American depression, while the same phenomenon in Germany was an important, perhaps decisive, factor in bringing down the Weimar Republic and installing Hitler as German chancellor. In retrospect it is clear that Hitler's impact on world events made his rise to power one of the most important international events in the depression era. The future of Europe was to be significantly affected by developments in the Weimar Republic. During its brief life, from 1919 to 1933, the German republic was the spawning ground for much that would follow: the growth of the Nazi party, the Hitler chancellorship, German rearmament, the Sudeten and Polish Corridor crises, the "appeasement" at Munich, World War II, the Holocaust, and the Cold War.

Democratic statesmen have been reproached for not taking a stronger stand against Hitler after he came to power. One observer noted that we tend to exaggerate the relative importance "of stopping Hitler once he was in power, as compared with the importance of seeing to it that a person of his ilk should not come into power at all in a great Western country." The greater defeat for the West was "on the day when the German people found itself in such a frame of mind that it could, without great resistance or remonstrance, accept a Hitler as its leader and master." It has been suggested that the United States could have done more than it did to support Weimar Germany and to avert another world war.¹

The present study is an attempt to determine what if anything Ambassador Sackett did to prompt the United States government to act to meet the challenge presented by a faltering German republic and by Hitler in the years immediately before 1933. A major concern is whether or not the United States contributed to the failure of the Weimar Republic and to Hitler's rise to power.² To that end, we shall explore the initiatives taken by Sackett to influence the policy decisions of the Hoover administration with respect to Germany. We shall also examine Sackett's analysis of Hitler and the Nazi party.

This project began as an attempt to discover the American political and diplomatic response to Hitler's rise to power. It did not take long to learn that United States involvement in Weimar Germany was inextricably interwoven with American finance. An elusive figure for Sackett to deal with, Hitler was head of an opposition party and thus outside the province of American diplomacy. As a consequence, Sackett tried to get the U.S.

1 George F. Kennan, *American Diplomacy, 1900-1950*, 78-81.

2 See Klaus Schwabe, "The United States and the Weimar Republic: A 'Special Relationship' That Failed."

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government to respond to Hitler's drive toward power in an indirect way. The ambassador agreed with fundamental American policy, which was to provide a foundation for German prosperity and stability that would make a Hitler unnecessary. To achieve that goal, American policy was to assist the Germans with financial help to undermine the domestic basis for discontent. Sackett attempted to get the United States to intercede in helping to reconstruct German finances, which were approaching crisis proportions. He also wanted his government to go beyond financial policy to assist Germany in two areas of vital interests perceived as central to any plan to prevent a Hitler government.

Almost all Germans resented the reparations they were required to pay to the victorious European powers following World War I. Sackett worked diligently to win American backing for the reduction of what the Germans considered an onerous political debt. His hope was that the German people would be mollified if Brüning could achieve such a major goal. Strong support for the chancellor would be assured, as would the removal of one of the principal grounds for Hitler or any other radical to come to power.

The Germans also resented the disarmament provisions of the Treaty of Versailles, which among other things reduced the size of the German military, the Reichswehr, to a force of 100,000. Sackett stressed the importance of meeting aspirations to recover Germany's stature as a major power in European affairs. It was one more element that could rally the German people to the support of Brüning. The Americans did intercede with a plan to reduce French fears of Germany and to bring the Germans around to a status closer to equality with the other European powers. If the United States could assist in reducing reparations and granting Germany equality in armaments, Sackett believed it would help Chancellor Brüning at home and relieve tension in Europe.

The ambassador was not able to accomplish what he set out to do, although he gave it a mighty effort. Because the Weimar Republic did collapse and Adolf Hitler did come to power in Germany, Sackett's mission could be judged a failure. But before rendering that judgment we should note the lack of support he received from an overtaxed American president trying to cope with a domestic depression. In part, Sackett's failure lay with the inability of the U.S. government to implement its own foreign policy effectively. American purposes in Europe were to support stability, peace, and prosperity. Germany was considered central to the fulfillment of that policy and American loans to the Germans were one of the principal means employed to insure it was carried out.

Sackett believed it was that very loan policy which was a fundamental cause of Germany's financial problems. Among his first official acts was to object to large loans to the German government organized by American private bankers. He was opposed to the loans even though the Brüning government was their beneficiary. However, Sackett was unable to intervene

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directly in the loan policy because in the corporatist system that characterized the era, all negotiations were carried out by “unofficial diplomats” from the private sector. The U.S. government cooperated with such groups in the formulation of policy, but bankers and financiers in the private sector, rather than American official diplomats, were given the responsibility for executing foreign loan policy.

In spite of that handicap, Sackett became an active protagonist in his efforts to support the Weimar Republic. He did everything possible, given the constraints of American policy, to help sustain Chancellor Heinrich Brüning in office. Sackett was convinced that the U.S. government needed to intervene decisively to remedy the problems generated by its own loan policy. After consulting with Brüning, the ambassador took the initiative in trying to induce President Hoover to call the French, British, and German heads of state to meet in Washington. Sackett believed that such a meeting under Hoover's leadership could resolve the impending financial crisis and settle the problem of war debts and reparations. The proposed conference never came about as Sackett and Brüning planned. Instead it was delayed until 1933, during the Franklin Roosevelt administration, when the World Economic Conference was held in London and ended in failure.

While formulating the plan for such a conference, Sackett formed an extraordinary political alliance with Brüning. The ambassador did all he could to persuade the United States to redouble its efforts to support the chancellor. When Hoover was slow to carry out his call for an international conference, Sackett tried another tactic. He warned the president and the secretary of state that American loans had brought the United States and Germany to the brink of disaster. Sackett's finest hour came when he used his influence to get the president to intervene in the European financial crisis of 1931. The result was the Hoover Moratorium.

Sackett tried to focus his efforts on finding ways to support Brüning, but the success of Hitler and the Nazi party forced him to pay more attention to them. Under Sackett's leadership, American diplomats in Germany warned the Hoover administration that Hitler and his Nazi party constituted a serious threat to the Weimar Republic in Germany, to American economic interests, and to the peace of Europe. In some respects their analysis of what happened during the period of Hitler's rise to power was brilliant, rivaling the best narrative accounts with knowledge of the outcome of events historians have been able to reconstruct. In fact, there are striking parallels in the analyses of Hitler's rise to power by the American diplomats in Berlin and those of the most respected historians of the subject.³

3 For example Alan Bullock, *Hitler: A Study in Tyranny*; Joachim Fest, *Hitler*; and Martin Broszat, *Hitler and the Collapse of Weimar Germany*.

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It was impossible to discern the specific direction Germany would take if Hitler's Third Reich were to become a reality. Still, Sackett had an excellent opportunity to study the Nazi leader and his party. Although in campaigning for office Hitler and the Nazi party were clearly opportunistic, coming down on both sides of the questions they addressed, Hitler sought to be understood, to win sympathy and support. He was, up until 1933, "blunt, outspoken, and revealing to an extent he later regretted." Observers during the period of Hitler's ascent had a unique opportunity to learn about him because he had formed his views very early in life and allowed neither experience nor contrary evidence to change them.⁴

To his credit, Sackett took an accurate measure of the man. He understood most of what contemporaries were able to surmise from what Hitler said for the public record. He also studied what Hitler and the Nazis were doing to win control of Germany and extended that knowledge by interviewing the major Nazi leaders. From the moment the Nazis became a factor in German politics, Sackett warned the Hoover administration that the economic crisis could intensify if Hitler were to become chancellor of the Weimar Republic. Even worse, Hitler threatened the existence of the German republic and the peace of Europe.

Even though most of Sackett's estimates of Hitler were brilliant, his reporting was flawed. He could not be expected to have foreseen in any detail what was going to happen, but he could be expected to have taken the Nazis more seriously as a political force in their own right rather than as a harbinger of worse things to come. Sackett was convinced that Hitler simply did not have what it took to lead a great nation; he was not the stuff of which statesmen are made. Moreover, his party and Storm Troopers were looked upon as rowdies adept at winning street brawls but not capable of governing. But in the end it was Sackett's obsession with communism that misled Americans.

When he wanted to pressure Hoover into decisive action by calling an international economic conference, Sackett decided to dismiss Hitler and the Nazis as a negligible factor in German politics and instead stressed communism as the more serious danger faced by Brüning. Sackett took this position even while emphasizing in his official reports that Hitler and the Nazis were the most serious threat to democracy and republicanism in Germany. The ambassador wanted to get Hoover's attention, and he knew his official despatches were unlikely to reach the White House. If he were to get the president's ear he needed something more dramatic than reports of a Right radical party in Germany. To get the president's attention, Sackett resorted to the Red Scare tactic, but at the same time expressed his own deeply held conviction that communism was a perilous phenomenon that confronted all the Western democracies. Therefore, in his more

4 Gerhard L. Weinberg, "Hitler's Image of the United States," 1006-1007.

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influential personal correspondence with President Hoover and Secretary of State Stimson, Sackett persisted in maintaining that communism was the most serious threat that faced the Germans.

Despite the ambassador's personal convictions about communism, he was forced to pay increasing attention to Hitler and the Nazi party as they experienced rapid growth and success at the polling place. By 1932 Hitler loomed large, not only in the Weimar Republic but throughout Europe and in the United States. As the depression deepened and political upheaval threatened Germany, leaders everywhere wanted to know who Hitler was, what he represented, what he aspired to, what he meant for his nation, for Europe, and for them.

Sackett tended to view Hitler and the Nazis as adept agitators and malcontents with a strong suit in propaganda but with little proclivity for the hard work of actually governing Germany. The Nazis were thought to have neither the talent nor the inclination to implement their harebrained schemes. Rather they were seen as spoilers, so incompetent they could only be a temporary problem.

Sackett, convinced that economics and finance were central to the arts of government and diplomacy, felt Hitler and the Nazis were babes in the woods when it came to those vital areas. He never fully understood that Hitler represented naked power, a force that could overcome everything else if sufficient determination and energy were applied to the task. Sackett never did grasp how deeply Hitler believed in the strength of his own will. A Hitler government, Sackett thought, was certain to be inefficient and ineffective and would surely fail after a brief interlude of negativism and destruction. In its wake, he feared, would come the phenomenon Americans dreaded most of all – communism.

Still, Sackett felt confident that the Germans could handle either outcome. Even if Hitler were to come into power, the ambassador believed there was a solution. Having been given a dose of radical leadership, the German people just might turn to the man he saw as a potential savior of representative government in Germany – Heinrich Brüning. American as well as British diplomats agreed in that assessment, but Ambassador Sackett especially had extraordinary faith in Brüning's ability to work through the problems of the Weimar Republic and avert a Hitler-dominated government.

Given the U.S. government's disinclination to become directly involved in European politics, it is remarkable that the Hoover administration acted as much as it did to thwart Hitler. Most directly, the Americans did all they could to help the Brüning government. Bankers in the private sector moved to help the German chancellor financially, and the United States acted to assist with both financial and political help. That more was not done can be accounted for, in part, by the overwhelming importance of the depression, which dominated the American political scene throughout the Hoover years. In foreign policy, Japanese aggression in Asia had become

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the most important concern of the president and American diplomats in Washington.

When all American efforts proved to be of little avail, the Hoover administration, preoccupied with the domestic economy and the turmoil in Asia, allowed American diplomats in Berlin to become mere spectators in Germany. Unhappy with the fall of the Brüning cabinet, Ambassador Sackett could only stand by and report on Hitler with unrelieved gloom until he found an acceptable option. Sackett, a conservative Republican, was convinced that the Weimar Republic depended on organized labor and the socialist Social Democratic party for its very existence. When General Kurt von Schleicher became chancellor and attempted to win the support of labor and the Socialists, Sackett thought he found a desirable alternative to a Hitler government. That apparently happy prospect proved to be a chimera and simply represented another form of wishful thinking by the ambassador.

The Americans who experienced Hitler's rise to power had no idea of the direction the Third Reich would take. They only understood that it was a frightening prospect for the future. It is important to recall that people at the time, and even Hitler himself, had no clear idea where Germany was headed. As one historian has commented: "What united National Socialism was not a mandate for war and Auschwitz, but a desire for change."⁵ Ambassador Sackett was committed to a world that was slipping away. He only dimly saw the nature of the course upon which Germany had embarked. But clearly he and the other diplomats involved in witnessing Hitler's rise were alarmed by what they observed and did everything they believed they could do to prevent it from happening.

The full impact of Hitler's influence on history is not yet known. Historians will need to continue digging into the past to clarify what happened and why. The Nazis tapped dark elements of human society that are still with us. They dug into that cellar of human emotion where fear resides and unleashed forces whose consequences we are still experiencing. Guided by concepts of racism, virulent anti-Semitism, hypernationalism, expansion, and the prospect of perpetual conflict, Hitler's conquests altered the face of Europe and affected the lives of countless millions of people all over the world. Such was his importance one would hope that President Hoover and Secretary of State Stimson were fully informed about Hitler and the Nazi movement. The story about to unfold will tell us whether or not Sackett succeeded.

5 David Schoenbaum, *Hitler's Social Revolution*, 45.

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A time of opportunity

ON A PLEASANT SATURDAY afternoon in early December 1931, two American diplomats and their wives were enjoying an afternoon in the suburban Berlin home of a prominent German banker. They had just settled in and were exchanging pleasantries over tea when four men were ushered into the room. They were introduced as Ernst Hanfstaengl, Rudolf Hess, Captain Göring, and a Herr “Wolff” – whom the Americans quickly recognized as Adolf Hitler. The clandestine encounter was arranged by the German banker with the consent of Frederic Sackett, the American ambassador to Germany, as an exceptional opportunity for the ambassador to meet with the Nazi leader. Although he had been in Berlin for nearly two years, Sackett was encountering Hitler personally for the first time and in fact was the first American diplomat to meet him. Sackett was not fluent in the German language, so the first secretary of the embassy, Alfred Klieforth, accompanied him. It was a daring meeting; in those days consorting with the opposition to the government was considered bad form. American diplomacy had not yet been wedded to intelligence operations, and anything resembling covert activity or other underhanded methods was beyond its capability or understanding.

The two Americans, the German banker, and their wives sat with the three Nazis and listened to Hitler launch into a long harangue as if he were addressing a large audience. Sackett was not persuaded by the rhetoric, but he had a firsthand opportunity to evaluate the Nazi leader. Hitler impressed him as a “fanatical crusader” whose “forcefulness and intensity” enabled him to establish leadership “among those classes that do not weigh his outpourings.” But Sackett thought Hitler was “certainly not the type from which statesmen evolve” and predicted that the Nazi would find himself “on the rocks” if he were ever confronted with the difficult problem of governing Germany.¹

1 Sackett to State, 7 December and, Personal, Sackett to Stimson, 9 December 1931, General Records of the U.S. Department of State, Record Group 59, National Archives, Washington,

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Hitler and the Nazi party were phenomena unfamiliar to the bourgeois and aristocratic elites who formed the diplomatic corps representing their nations in Germany. Like almost all observers they were hampered in their evaluation of this new and powerful force because it was so menacing to good social and economic order. A Hitler government would mean the end of everything they understood and valued. To them, economics and finance formed the core of relations among nations, and Hitler demonstrated only a primitive understanding of those problems. During Sackett's tenure in Berlin, American diplomats never considered a Hitler government acceptable. Nazi rule in Germany was clearly seen as contrary to American interests.

Sackett was quick to report to both the German Foreign Ministry and the State Department to explain his extraordinary conduct in agreeing to meet with this dangerous man. He wrote Secretary of State Henry Stimson that ordinarily he would "not seek intimacy with the opposition party in Berlin" but did not want to avoid a meeting since "a proper opportunity" had been presented. The German Foreign Ministry understood that he was not "conniving with the opposition," and Sackett was pleased to report that he had "established a contact that may be valuable to us in the future."²

The meeting did not bring any advantage to the Americans and it was the only time Sackett and Hitler met face-to-face. Nevertheless, Hitler was a central figure in Sackett's diplomatic life. Sackett took up his post as American ambassador in Berlin in early 1930 just as the Nazi leader moved onto center stage in German politics. In three years Hitler would become German chancellor. During that time Sackett observed Hitler's rise to power and would play an important role in the attempt to thwart the Nazi. The American would fail because forces beyond his control intervened to make his task impossible. One force was the Great Depression; the other, as we shall see, was the policy of the U.S. government, which effectively handcuffed Sackett in his efforts.

Sackett did not aspire to become a diplomat. His election to the U.S. Senate in 1924 was the culmination of an already successful career in business and finance. At the age of sixty-one, he was content with his role in the national capital; but problems in Kentucky politics intervened to elevate his position even further to the realm of international affairs. The son of a wealthy wools manufacturer, Frederic Moseley Sackett, Jr., was born in Providence, Rhode Island, on December 17, 1868. He graduated from Brown University in 1890 and Harvard Law School in 1893, then

D.C., Decimal File Numbers 862.50/721 and 723. Hereafter, all unpublished State Department Papers are cited by decimal file number. Although embassy despatches were addressed to the secretary of state, he rarely saw them; they were sent to the appropriate geographical division, in Berlin's case the Division of Western European Affairs. The shortened address "State" here indicates that the addressee is the State Department.

2 Sackett to Stimson, 9 December 1931, 862.50/723. This despatch was meant for Stimson.

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moved west, first to Columbus, then to Cincinnati, Ohio. In 1898 he married Olive Speed, the daughter of James Breckinridge Speed, of a wealthy and prominent family in Kentucky business and politics. Sackett gradually abandoned the practice of law in favor of his wife's family business interests, especially coal mining and related enterprises as well as real estate and banking. The Yankee proved to be a shrewd and skillful businessman who moved easily into the Louisville elite. Named director of several businesses and banks, he became a member of the board of the Louisville branch of the Federal Reserve Bank of St. Louis (1917–1924). His peers held him in high regard, prompting his election and reelection to the Louisville Board of Trade in 1917, 1922, and 1923.³

A southern progressive, Sackett subscribed to the New South program of progress through rapid economic growth and industrialization in a diversified economy. An urban “booster,” he wanted to see Louisville grow bigger and better, but essentially a conservative, he wanted the transformation accompanied by continuity with the past. Like other southern progressives, he favored change and growth, but believed they should not alter the essential social structure or economic organization and civic leadership patterns that should remain constant. A well-ordered and stable society committed to ethical business practices could sustain the kind of unity necessary to economic development accompanied by social and racial stability.⁴

Taking part in civic affairs and other varied activities, Sackett won a widely recognized reputation as a moving force in Louisville and a man to be reckoned with in the state of Kentucky. A staunch Republican, he was involved in politics from the time he first settled in Louisville until the end of his career. In 1917 he became federal food administrator for the state of Kentucky, giving him control of the distribution and rationing of food throughout the state. The position brought him into frequent contact with the head of the national agency, Herbert Hoover. A close political relationship developed, and later, when Hoover revealed his presidential ambitions, Sackett was among the first to work for his nomination and election.⁵ After a stint on the State Board of Charities and Corrections

3 More on Sackett's early career is found in Bernard V. Burke, “Senator and Diplomat,” 185–189. Full citations to books and articles can be found in the bibliography of the present volume. See also *Biographical Directory of the American Congress, 1774–1949* (Washington, D.C., 1950), 1771; *Congressional Directory*, 69 Cong. 1 Sess., 36; *New York Times*, 19 May 1941; *The National Cyclopaedia of American Biography* (New York, 1951), 1927, B421–422; 1938, E 95–96; 1951, 37:78–79; and *State Department Register* for the years 1930–1933.

4 George Brown Tindall, *The Emergence of the New South: 1913–1945*, 7, 31–32, and *The Ethnic Southerners*, 142–162; *Louisville Herald-Post*, 4 October 1930; *Louisville Times*, 24 October 1930.

5 *Louisville Herald-Post*, 9 October 1929; *New York Times*, 19 May 1941 and 2 January 1930; Herbert Hoover, *The Memoirs of Herbert Hoover*, 2: 191, hereafter cited *Memoirs*.