5

Hitler

Bei allen Schmerzen
Bereit zu Scherzen (E.F.S.)
[Be prepared to joke at every pain]

While in America Fritz felt happier than ever before in his life. His feeling of ‘walking on air’ in New York was not just a physical feeling of well-being given by the air he breathed for he soon tired of skyscrapers and longed for trees and expanses of sky. But in New York he felt free: free intellectually and free from the weight of Europe. There was no doubt about his own Europeanness, about his Germanness, but he was far away from the preoccupations that had cast a shadow over much of his student life: the problem of Germany.

Much of Fritz’s negative reaction while a student in England, had been connected with events in Germany and the reactions he encountered in England; amongst students, the British press and British politicians. Without the intellectual stimulation to keep up his spirits he had been unable to resist the emotional drain of the fact of his Germanness. ‘England’, he wrote in 1933 to the Warden of New College, G. K. Allen, ‘was of incalculable value to me because – besides acquainting me with England – it helped me to understand Germany.’

England made him into a patriotic German, gave him ‘that sound basis of that very feeling we call patriotism. We cannot live without that feeling! It is – born of gratitude – an active acknowledgement of that debt we owe our Fatherland … We

must never forget the soil upon which we have grown, and the organism of which we are part.’

It was a feeling that had(13,8),(589,985)Its increasingly painful side. Germany, as Fritz saw it, was being maligned, misunderstood and attacked, and he in his role as ambassador and executor of Cecil Rhodes’s ideals of peace and understanding between nations, had spent much time and energy in its defence. He was not blind to the dangers inherent in National Socialism and its principal exponent, Hitler, but he could understand and tried to explain why political life in Germany could find room for such extremism. This was before January 1933.

By the autumn of 1932 Fritz was in America, far from the turmoil of European politics. The United States was having its own problems and was in one of its isolationist and inward turning phases. Fritz, as an economist, mixing with economists and bankers, was as informed and involved as any foreign student could be about the American economic crisis which he and his colleagues discussed and analysed. For a time the dark cloud on the horizon of Europe receded, and Fritz, stimulated and fully engaged on his work, was happy.

But it was only a temporary respite. The very isolationism of America had its negative aspect. The U.S. press, concerned with its own problems, provided only tantalizing snippets of German news. This irritated Fritz. He did not want to lose touch with affairs in Europe and believed that the columns devoted to Germany in American newspapers were not factual accounts but what he called ‘English propaganda’. He was back in his role as defender of the German people. ‘There is a fundamental lack of understanding here for European problems’, he wrote to his father, hoping for consolation from home. But his parent’s letters were not more helpful. Although living in the heart of the political arena, in Berlin, Professor Schumacher no longer had access to politicians as when he was advising the government before and during the First World War, and he was as confused as the next man. In the winter of 1932 he had replied to Fritz’s plea for facts, ‘The situation is extraordinarily difficult in every way and no real insight is possible although if one examines the circumstances calmly and more closely there appear to be dubious developments. I hope that the National Socialists and the Centre Party succeed
in being included in the Cabinet. They would balance each other and then we could at least halt this radicalization of our people.

The Professor’s letters did not become more informative. On January 7th, 1933, three weeks before Hitler became Chancellor, Professor Schumacher was reassuring Fritz, ‘Thank goodness quiet has entered politics here. This is undoubtedly also having a beneficial effect on the economy. Only it is progressing much more slowly than most people hoped or wished. I hope that the clever and sensible man to whom Germany’s fate is now entrusted will succeed in holding on to this new path with a strong grip. It won’t be easy.’ In view of the speed of developments in German politics, Fritz cannot have had much confidence in his father as a source of accurate political reporting. However, it must be said in Professor Schumacher’s defence that he was not alone in his lack of political foresight.

As late as January 15th the Chancellor of Germany himself was similarly falsely optimistic in a conversation with the Austrian Minister of Justice. The Minister reported, ‘General von Schleicher showed himself to be exceptionally optimistic with regard to the state of affairs in the Reich … particularly as regards its economic and political prospects … Herr Hitler was no longer a problem, his movement had ceased to be a political danger, and the whole problem had been solved, it was a thing of the past.’ Most informed opinion in Berlin was not so blind. It was widely known that Hitler and Von Papen had had a secret meeting on January 4th and that deals were being made.

A week later these rumours had reached the Schumacher household and Professor Schumacher was sufficiently worried to repeat the warnings he had given Fritz over the past few years not to stick his neck out and take sides. In the tense atmosphere in Germany he knew that those who backed what turned out to be the wrong side would be marked men. The Professor was glad that both his elder sons were away from Berlin and the political upheavals. But such warnings were not what Fritz wanted. He wanted information and his father’s letters were as infuriatingly vague as the press. Fritz wanted to know what was going on in Germany and what the actors in

the drama were really like. Hitler’s accession to power was the first piece of solid information he had received. But what did it mean? Fritz cried out desperately to his parents for proper information and reassurance:

For Heaven’s sake, what is going on in Germany? Do we all have to be in a state of tension here, even the professed Nazis? According to the press reports here, which incidently have a calm and factual tone, Germany has finally and completely succumbed to barbarity. Practices are being described which one only expects from countries like Rumania and Cuba. But I will not believe these press fellows on principle.

As rumours and counter-rumours flew around Fritz was greatly in demand for speaking engagements. He was well respected and his opinion, as a German, valued. But he knew no more than anyone else. His one aim was to keep the peace and try to be positive, try and keep alive the hope that the new leadership had something worthwhile to contribute to the solution of Germany’s grave economic and political problems. He consented to speak at the Society for the Friends of the New Germany explaining the Nazis’ economic policy. But this was an exception for which the generous fee may have been partly responsible. He was distressed at how the German people were making a spectacle of themselves with their flag-waving hysterical response to Hitler’s demagogy. This type of political agitation was, he saw, rapidly ruining Germany’s standing in the world.

While warning Fritz to keep a low profile because Nazi blacklists were being drawn up, Professor Schumacher tried to bolster Fritz’s attempt at optimism. He too wanted to believe in the good of the Nazi movement and in March 1933 was still trying to convince Fritz that the excesses of the new régime were because ‘we are in the middle of a new revolution, one must not conceal this from oneself. But there is consolation in this. The revolution must end soon and only then is the way clear for sensible and constructive activity.’ This reply is illuminating and typical of many non-Nazi’s who did not at first recognize that there was no positive side to the revolution. They
E. F. Schumacher

clung on to the hope that eventually Hitler would control the undesirable forces and bring about a new Germany.

Professor Schumacher admitted that it was hard for the positive qualities of the National Socialists to come to the fore. The men at the top were of poor quality and the speed at which things were happening left everyone confused. Fritz was not convinced. It was becoming increasingly difficult to ignore the evidence. Within a month the opposition to Hitler was being crushed. What was Hitler playing at? he asked his parents. 'Yesterday's news about the banning of the Centre Party by the Nazis once again makes one's hair stand on end. So now by far the majority of Germans are (supposed to be) great scoundrels and in fact, not proper Germans!'

What a bitter twist this statement had, made in irony in early 1933; two or three years later Fritz really came to believe that under Hitler it was impossible to be a proper, patriotic German. At this stage he still felt passionately and patriotically German. He found it a less and less easy role, although his conciliatory attitude saved him from suffering much socially. 'One really only discovers what patriotism is when one lives as a single German abroad,' he wrote to his parents. 'At home one only has to join in the shouting. Out here one has to swim against a tremendous tide of hostile opinions on one's own ... As a decent person one is ... treated decently; as a German ... pitied.' It was a sad statement, and he had to admit to his parents, to whom he rarely admitted negative feelings until well after the event, that worry about Germany was in fact affecting his work and ability to write.

The shocking news continued to reach Fritz. While its source was the media he was able to modify the unbelievable reports by assuming they contained an anti-German bias and sensationalism, but events such as the public book-burning were difficult to rationalize away, as was the news of prominent and well-respected citizens, academics, musicians, scientists being boycotted, dismissed from their posts and forced to leave Germany merely because they were Jews. It was when the first refugees reached New York and gave reports of what was going on that Fritz realized that he was trying to defend the indefensible. It was the turning point for him. He wrote sadly of his new position to his father: 'I have talked to and visited a large number of people here and have tried to explain and appease, but there is nothing more to be done. We now no longer have right on our side.' This was March 30th, 1933.

Fritz made one last attempt to defend Germany and look for the positive qualities in Hitler's policies. It was at a large gathering in New Jersey one day in May when Hitler had given an important address in Germany which had been broadcast around the world. Fritz had listened carefully to the speech and 'for the sake of a better understanding and in order to establish a common basis for cooperation between the two countries,' agreed to explain it to his American public. He was pleased with his address. After an emphatic rejection of anti-Semitism he proceeded to explain what he thought could be useful, favourable and hopeful in Hitler's programme. It was not appreciated by a group of Jews in the audience who protested loudly 'that anyone should say anything in favour of Hitler at all'. Fritz had not yet reached the stage of complete rejection because to him it would involve rejecting Germany as well. He was irritated by the heckling and finally retorted, 'I can assure you that so far I have not been anti-Semitic.' This statement, which Fritz thought rather clever, silenced the hecklers, but when he left the hall he was confronted by a furious shouting mob and had to be escorted away by the police. The incident showed that Fritz still suffered from some prejudice: he contemptuously dismissed it as typical of the hysterical reaction of the Jews against all Germans. But it was his last public appearance on the subject of Germany.

Fritz's parents shared the same view as many other middle-class, intellectual Germans. They believed that the success of the revolution Germany was experiencing was dependent on the involvement and commitment of Germany's youth. They did not reject the concept of a Führer, rather they welcomed a strong leadership after the weak government of the immediate post-war years. They acknowledged the excesses and negative aspects of the new régime but they did not believe that they were necessarily characteristics. They attributed them to the weak men who surrounded the Führer, but assumed that enthusiastic and committed support of the good aspects of Hitler's policies would eventually remove the weaknesses. In May 1933 Professor Schumacher summed up his views to his eldest son, Her-
mann, who was also experiencing difficulties in adjusting to the social aspects of the new régime:

1. One must accept historical facts. First of all one has no choice. Secondly the Fatherland demands that we, wholeheartedly support the good forces that are at work and that are, to a certain extent, personified in Hitler. If we do not succeed in obtaining a positive national renewal there will be nothing left but chaos.

2. Nothing is regarded as worse by those currently in power than standing on the sidelines and Eigenbröidelei (introspection, concern with self). They rate comradeship much higher than friendship, and there is undoubtedly something in this from the State’s point of view.

A copy of this letter was also sent to Fritz. He was emphatic in his rejection and told his father that nothing would induce him to join any political organization, Youth Group or branch of the S.A.

Professor Schumacher, sixty-five years old, out of the mainstream of public life and, in 1933, retiring from teaching at the university, was bound to have a different view of things from Fritz whose decisions at the age of twenty-two could have a profound effect on the rest of his life. Fritz recognized this and tried to explain it to his parents who were worried by his constant anxiety about German affairs. 'Forgive me if I write to you about these matters, but they happen to take up a great deal of my thoughts and feelings. And, after all, they are of vital importance for later life.'

Professor Schumacher, although anxious himself, could only repeat his hope: wait and things will get better. He belonged to a generation brought up to accept authority. Hitler's party had not assumed power illegally, and the Professor believed that a legal government's authority had to be accepted. Dogmatic and autocratic himself, he did not expect his opinions to be accepted only by those who happened to like them. Preference had nothing to do with authority. He clearly did not like everything about the new government and spoke out critically on several occasions; to his students and to his rotary club. He refused to sign a protest against Lord Halifax, the Chancellor of Oxford University who had made a critical speech on a visit to Berlin. But he soon came to the conclusion that the Nazi régime was a storm that had to be weathered, that criticism however slight would only have unpleasant repercussions on his family and that the best thing he could do for his children was to encourage them to take a positive and active part in the New Germany. Ernst, like many other young Germans, became an active member of a Youth Group. Marching, uniforms and patriotism became an integral part of his life. Hitler had given youth an opportunity to flower again. The family never dreamt that it would have to pay a severe price for this compromise.

Fritz consistently refused to have anything to do with Hitler Youth groups, or the S.A. Just two months before he was due home Professor Schumacher wrote to him again that it was imperative for him to join the S.A. He had even gone to the trouble of selecting a group he thought Fritz would find congenial. Fritz was still trying to keep his mind as open as possible about Germany and still intended to return home to complete his studies, but such exhortations increased his apprehension. So did the ever-growing Jewish community in New York swelled by German refugees of all kinds each with an appalling tale to tell. Then came a letter from his erstwhile travelling companion, Ulli Solmsen, who had returned to Germany in the autumn of 1933 to complete his studies. The letter was from Switzerland. Ulli wrote that it was no longer possible to study in Germany without compromising oneself with the régime.

The news made Fritz’s decision to return home all the more difficult. America had proved to be a land of opportunity. He knew that if he stayed he was likely to have a successful academic career before him; he had already achieved more than most by his lecturing appointment and Parker Willis had assured him that there would always be a place for him at Columbia University. He knew too that he could live reasonably happily in America despite the tension over Germany; he had learnt to live by tact and diplomacy and prided himself on managing to keep on good terms with most of the German community. There was no reason why a long vacation should
not suffice to satisfy his desire to find out for himself about the changes that had occurred in Germany during the five years of his absence and to see his family again. He was particularly curious to see his little brother Ernst, whom he had last known as a child and who was now almost a teenager and an active and enthusiastic member of a Nazi Youth group.

Yet he decided to turn his back on his future and return to Germany. At that point he put his career to one side in order to find out for himself what the truth about Germany really was. He was too much a German to accept the condemnation of his country from the mouths of others. The cause of Germany had been close to him for five years and he could not abandon it without trying to live there first and seeing for himself whether it was too late for change. It was with a heavy heart that Fritz left New York on April 1st, 1934. His voyage home was as symbolic as the voyage to America had been two years earlier. For a start, it was April Fools’ Day! And then he fell ill with rheumatic fever and spent most of the journey below deck in his cabin, full of self-pity. He was returning to a sick society where many of the ill deeds were below deck, hidden from public view. His depression and the debilitating effect of his illness stayed with him for many months after his return to Germany. He found it was very hard to adjust to the changed circumstances in which he found himself and it was not until the autumn that his health began to pick up.

Depressed in health and spirits, Fritz was not tempted to be more positive about the situation he found in Germany than the facts warranted. When he had left Germany it had been a free country despite the ailing, weak governments of the Weimar Republic. Now he saw that the rumours and reports he had been loath to believe while abroad had not only been true; they had been followed by far worse. He only had to look at his father, who five years earlier had been a pillar of the community and well respected by all his students. Now he was retired and glad to be so. Teaching had become an intolerable and at times humiliating experience. The Professor told Fritz of how he had been heckled by students he believed had been planted in his lectures because he did not hold political views acceptable to the régime. He told Fritz how it was no longer possible to advance an academic career without supporting the Nazi line; appointments and promotions were dependent on it. But it did not make the Professor urge Fritz to look elsewhere for a career. On the contrary, he again urged Fritz to join an appropriate Nazi society; his future depended on it.

Fritz found his father’s line unacceptable. He could not consider such a course of action because he saw the issue as far bigger than one of freedom of choice or the opportunity to further a career. It was not that the Nazis said, ‘We don’t like you so you can’t have a job,’ to which he objected, but that they said, ‘We don’t like you therefore everything you say, whatever its merits, is automatically wrong and untrue.’ It was interference in the pursuit of truth that Fritz found intolerable, evil and not to be countenanced. Yet the truth of the matter, as far as he could see, was that the academics did countenance it. There was no wholesale uproar when men like Einstein were hounded out of the country and their works declared untrue and banned. On the contrary, in the case of Einstein, for example, only a few like Werner Heisenberg, Nobel prize-winning physicist and soon to marry Fritz’s sister Elisabeth, had the courage to defend him and uphold the truth of his theories. It was a courageous act which cost Heisenberg his job at the time and prompted vicious personal attacks on him in scientific publications. But Fritz seemed to disregard the fact that heroism was needed for such acts. In his view, eminent scientists, economists, philosophers, writers and musicians who allowed their colleagues’ work to be attacked and reviled on political and racial grounds without protest, without upholding intellectual honesty and scientific truth, were not doing their duty and were not worthy of the privilege of intellectual learning and the pursuit of truth. He believed purity, courage and honesty were essential and indispensable qualifications for such a privilege. In failing to live up to these qualities academics and intellectuals in Germany laid themselves open to the responsibility of the catastrophe that had befallen their country. Why the intelligentsia of Germany should have failed in their vocation in this way was a question which Fritz did not attempt to answer until much later when he saw the meaning of ‘truth’ in a wider context than the scientific facts which at that time he held to be the cornerstone of progress. But his analysis remained the same. It was the abandonment of truth
that lay at the centre of his opposition to the Nazi régime and its effect on German life. All the other evils of the régime stemmed from this root.

He did not have to look far for the evils that had already sprung up and were growing rapidly. His father told him of the street violence that had accompanied Hitler's assumption of power; the clashes between the Nazis and the Communists: two vicious and extreme parties fighting over the dying body of the Weimar Republic. Professor Schumacher himself had narrowly escaped injury as stray bullets had once come through his study windows at the university. He had not realized that Hitler then occupied the room above his own.

By the time Fritz had returned to Germany, the Communists had been banned along with other political opposition and the Nazis held absolute power. But the violence continued, not as a result of fighting between warring factions, but instigated by the Nazis themselves. In the final weekend of June 1934 any last lingering doubts were finally removed as Fritz decided to visit his brother Hermann who was studying in Göttingen. When he knocked at the door of Hermann's lodgings, the landlady appeared terrified as she opened the door. No, she had no knowledge of a Hermann Schumacher, she insisted, never heard of him. Fritz persisted. 'He is my brother,' he assured her. Only then did she let him in, explaining that one couldn't be too careful, she had been afraid that Fritz might have been the Nazi police. It shook Fritz to experience the extent to which the population had been affected by fear but it was nothing to the horror he felt when he learnt that that weekend there had indeed been reason for such fear. The S.A. had been purged. It had been carried out in the style that was to become so familiar: the knock on the door at night, disappearance, execution.

There were some well-known names among the victims who lost their lives that weekend: General von Schleicher and General von Bredow among them. But there were also numerous others, many with no connections with the S.A. but who just happened to have fallen foul of the régime, others who happened to be Jews. After the weekend's raids and executions there was uncertainty and apprehension everywhere but the government made no attempt at a statement or explanation.

Hitler

Rumours abounded, horror expressed only in fearful whispers. Fritz wrote to his friend Franz Curtius with whom he had shared a flat in America, expressing his disgust and concern. He had shared a great deal with Franz and was very fond of him. Franz's reply was unexpected and shocking. He wrote that although he was not happy about the events of the weekend in question, he was far more concerned that the government had failed to give adequate information about who had been shot. A few weeks later, early in August, he wrote again to Fritz, asking him if he was 'still listening to sensationalism and spreading rumours whose truth was really questionable'. Unfortunately there is no copy of Fritz's letter and his so-called unsubstantiated rumours. Nor is the truth of what really happened that weekend in June known to this day – except that over a hundred people lost their lives by summary execution.

In the months that followed the chief questions that Fritz had to answer were: in what direction should his career, which he still assumed would take some academic form, progress, and how far would it be possible to continue in academic life within the confines that political life in Germany now presented? The question underlying everything was: could one lead a moral life within an immoral system without compromise?

It seemed that most people believed that they could. Fritz saw that men like his father, men in eminent positions at the university, in government administration and in the professions in general, with whom he tried to discuss the evil nature of the régime, and who he felt had a responsibility to speak out, demurred, calling him a hothead or dismissing him with that wave of the hand that expressed the amused tolerance of an older generation to the indignant outpourings of angry young men. They clung to the belief that the excesses of National Socialism would pass, that they were a necessary evil to be tolerated while the good in the movement gained strength.

Time and again Fritz heard the phrase: 'Where there is planning there must be shavings'. Fritz rejected this justification completely. There was no beautiful carving emerging from the wood of National Socialism but an obscene and evil monstrosity. Each time, he was shocked and saddened to see that men
deserving of respect should be so utterly lacking in the courage
to see things as they really were, to recognize the intrinsic
philosophical evil which the rejection of truth meant.

In a lighter-hearted vein he once commented at a party that
the impact of the régime could be seen in half the faces of Berlin;
almost every man in the street wore a ridiculous Hitler moustache. As an embarrassed silence fell he saw, too late, that even
in that room full of respectable, liberal-thinking Germans, Hitler’s mark was to be seen on the majority of the men’s
faces.

Living at home again with his parents in Steglitz, it was
inevitable that Fritz should find politics a subject which caused
tension. Fritz’s father maintained that Fritz’s questioning and
murmuring would not do him or his family any good. The
government had been legally elected and it was the duty of
every patriotic German to support the good while avoiding the
bad. Ernst was encouraged in his Hitler Youth activities. It
seemed to the Professor that nothing but good could come out of
the patriotic fervour and enthusiasm which Germany’s youth now felt and which was injecting new life and hope into a
despairing society. He wished only that Fritz would take a
similar positive attitude.

Fritz, with his dislike of conflict and his desire to uphold the
truth, found himself in a difficult and unhappy position. It was
less easy to be diplomatic face to face than it had been by letter.
The tension between himself and his father was not helped by
his lack of a proper occupation, or even an idea of what he was
going to do next. At first, after returning from America he had
struggled to finish his theoretical paper on ‘Inflation and the
Structure of Production’. Ill health and depression slowed
down his progress and it was already well into the summer before he was ready to send the work to Professor Parker
Willis. To Fritz’s relief it was well received and published in
due course. The next step was to qualify for his B.Litt. Unfortu-
nately his inflation paper was not suitable and by the end of
the summer it became clear that he could not possibly have
another thesis ready in time. The academic gates seemed to be
closing. Brief inquiries soon revealed that he would have to
abandon his B.Litt. altogether. Another extension to his time
would not be allowed.

E. F. Schumacher

Hitler

All the time his father was pressing him about his future. What was he intending to do? To whom was he writing? What
efforts was he making to find a job? Professor Schumacher was
quite prepared to take an active role in organizing Fritz’s
future and obtained funds from the Rockefeller Foundation
for him to do a study on ‘the world market for iron and steel’.
Perhaps this would serve as material for a doctor’s thesis in
Germany? The catch in the arrangement was that Professor
Schumacher was to be Fritz’s supervisor. Such an arrangement
was bound to fail. The tensions between father and son
spanned more areas than just politics. Their different
approaches to economics effectively ruled out any satisfactory
co-operation.

Fritz was too independent-minded to accept his father’s
dogmatic guidance but he was also a different type of econo-
mist. His father had spent a lifetime in academic work. Apart
from his advice during the war and the 1923 inflation, his
forays into practical application were strictly limited to de-
scriptive analysis. The ‘iron and steel’ project was along the
lines of his fact-finding missions to the Far East about world
raw materials and resources. It was not Fritz’s approach. He
had made that clear when he had written the words already
quoted in his inflation paper: ‘The dismal science of economics
has driven many a good man into despair. At times people
have thrown up their hands and declared that there is no mind
great enough to understand its complexities; they have given
up pure theory and have taken to collecting facts – data
statistics.’ He saw this as one difference between himself and his
father which accounted for their fundamental incompatibility
in their common interests of economics. The ‘iron and steel’
paper was doomed to failure.

It is hard to imagine how Fritz would have survived those
difficult months had it not been for his sister Edith, who again
took up her childhood role of friend and confidante. Many
evenings she listened to him in his room where he lay draped
over the bed. He talked and talked, full of ideas which he
needed to try out on a sympathetic soul. He tossed them at
Edith relentlessly until she would cry out, confused, ‘I don’t
understand.’ But he pushed her protests aside. ‘Doch, doch;’
Yes you do, yes you do. On other occasions they would drive
out in his car - 'the wild coal-scuttle', as the little black box was affectionately known. Edith found these excursions with her brother delightful. Their father was less approving. The car was yet another example of Fritz’s irresponsibility.

Pondering and discussing Germany’s situation, seeing how his predictions were indeed coming to pass, Fritz began to try and think more positively about Germany. As he had told his Oxford audiences, it was the people’s despair that brought Hitler his followers. In 1934 there was still economic despair. The six million unemployed had not yet been absorbed by Hitler’s economic miracle. Without a job and without work that really interested him, although the iron and steel paper was supposed to be his main occupation, Fritz’s mind began to wrestle with the tremendously debilitating problem of unemployment. Gradually the question of how, in the face of mechanization and general economic depression, the tendency to reduce the labour force could be reversed, took him over completely. He worked with dedication and with enthusiasm so that the plan he eventually conceived earned the name ‘Fritz’s World Improvement Plan’. He could talk of little else and it crept even into his letters to his former girlfriends in America.

The plan was basically an incentive scheme to manufacturers to employ labour rather than machinery. Fritz proposed that all workers in the manufacturing process should be paid a guaranteed minimum wage by the government which the employer would then top up. The government wage would be paid for by a tax on turnover. In this way successful firms would pay for those companies prepared to use labour rather than machinery.

Fritz was utterly convinced of the brilliance of his scheme and charmed by its simple ingenuity. Early in 1935, while on holiday, he sent it to his father and to his uncle Fritz for their comments. Their response was shattering: that of his father, cruel in its brevity. He wrote that he was surprised that Fritz should want to produce such a plan at all and dismissed its value in a few sentences, ending his letter, ‘Anyway, there is no shortage of plans to fight unemployment. The Ministry of Work passed the 25,000 mark two years ago in its famous collection of plans.’ It was as crushing as the first time Fritz had presented his father with his work when still a student in Berlin, and his father had not bothered to read it.

It was Uncle Fritz’s criticism that persuaded Fritz to abandon the plan he had hoped would solve Germany’s unemployment problems. Uncle Fritz at least treated the scheme seriously and sent Fritz a detailed critique. But the pages of notes Fritz received showed him that he had failed to put over the philosophical basis to his argument. Against this weakness, the failure of certain nuts and bolts was hardly significant. In fact, his father’s and Uncle Fritz’s opposition was more than a failure to understand the principles from which he was working: there were ideological differences that prevented their agreement. The elderly brothers were both liberals and they disliked the interference of the state essential to Fritz’s plan. Fritz had approached the problem from a different angle. He had begun with the need and the right of men to work. As the free market had failed to cope with the problems, he had had to consider the role of the state in bringing about a solution. It was the beginning of a new direction in his political thinking, and the beginning of an approach to economics that was to occupy him for many years: how to devise a system which allowed for both freedom and control. In this 1935 plan for employment he had achieved this balance to his satisfaction by giving the manufacturers the right to choose whether or not they would take advantage of the government’s minimum wage guarantee and increase their labour force, or whether they would go for machinery for which they would have to bear the entire cost. There was no force involved, merely the ‘hidden hand’ of encouragement. For this reason alone it is unlikely that Fritz’s plan would have appealed to a régime whose method was enforcement and not encouragement. There was no free will involved in the methods by which Hitler’s ministers achieved the ‘economic miracle’ and the full employment of the next two years and which led the German people to believe that, after years of uncertainty, their economic troubles were at last over.

Fritz did not share the optimism that Hitler’s ‘good years’ generated because he based his critique of National Socialism not on its achievements or its evil manifestations, but on the fundamental fault he had seen when he returned to Germany
in 1934, namely the abandonment of truth. This was a remarkable achievement. To quote Sebastian Haffner writing forty years later in *The Meaning of Hitler*:

At that time ... it required quite exceptional perception and far-sightedness to recognize in Hitler's achievements and successes the hidden seeds of future disaster, and it required quite exceptional strength of character to resist the effect of those achievements and successes. His speeches, with their barking and foaming at the mouth, which nowadays cause revulsion or laughter when listened to again, were delivered at the time against a background of facts which deprived the listener of the strength to contradict, even internally.4

Between 1935 and 1937 the excesses of the régime seemed to fade away, there was comparatively little violence, the German people felt more secure, they were in the hands of strong leadership at last, and most remarkable of all they witnessed a spectacular economic recovery: full employment without inflation, unheard of since the war. Germany was going up in the world again, Germans could hold their heads high in Europe, they were regaining their position and even rearming without significant protests from their former enemies. It appeared that those who had predicted and hoped for the victory of the 'good' over the negative aspects that had been associated with the initial revolution of the National Socialist Party had been right after all. If there were incidents that might have cast doubt on this hope then many would murmur to themselves: 'Ah if the Führer knew about it, it would not have happened.'

Fritz found this acceptance of Hitler utterly depressing. For someone who a few years earlier had pleaded for the necessity of holding fast to patriotic feeling, the spectacle of the German people abandoning everything that they had held sacred by failing to uphold the truth was a painful if not agonizing experience. This was no longer Germany, the place of his roots, where his heart had been all these years.

At the end of March 1935, on the first anniversary of his return to Germany, he wrote sadly to the girl he was eventually to marry: