

## CHAPTER EIGHT

### Putzi: Friend of Hitler and Roosevelt

Ernst Sedgewiek Hanfstaengl (or Hanfy or Putzi, as he was more usually called), like Hjalmar Horace Greeley Sehacht, was another German-American at the core of the rise of Hitlerism. Hanfstaengl was born into a well-known New England family; he was a cousin of Civil War General John Sedgewiek and a grandson of another Civil War General, William Heine. Introduced to Hitler in the early 1920s by Captain Truman-Smith, the U.S. Military Attaché in Berlin, Putzi became an ardent Hitler supporter, on occasion financed the Nazis and, according to Ambassador William Dodd, "... is said to have saved Hitler's life in 1923."<sup>1</sup>

By coincidence, S.S. leader Heinrich Himmler's father was also Putzi's form master at the Royal Bavarian Wilhelms gymnasium. Putzi's student day friends at Harvard University were "such outstanding future figures" as Walter Lippman, John Reed (who figures prominently in *Wall Street and the Bolshevik Revolution*), and Franklin D. Roosevelt. After a few years at Harvard, Putzi established the family art business in New York; it was a delightful combination of business and pleasure, for as he says, "the famous names who visited me were legion, Pierpont Morgan, Toscanini, Henry Ford, Caruso, Santos-Dumont, Charlie Chaplin, Paderewski, and a daughter of President Wilson."<sup>2</sup> It was also at Harvard that Putzi made friends with the future President Franklin Delano Roosevelt:

I took most of my meals at the Harvard Club, where I made friends with the young Franklin D. Roosevelt, at that time a rising New York State Senator. Also I received several invitations to visit his distant cousin Teddy, the former President, who had retired to his estate at Sagamore Hill.<sup>3</sup>

From these varied friendships (or perhaps after reading this book and its predecessors, *Wall Street and FDR* and *Wall Street and the Bolshevik Revolution*, the reader may consider Putzi's friendship to have

been confined to a peculiarly elitist circle), Putzi became not only an early friend, backer and financier of Hitler, but among those early Hitler supporters he was, ". . . almost the only person who crossed the lines of his (Hitler's) groups of acquaintances."<sup>4</sup>

In brief, Putzi was an American citizen at the heart of the Hitler entourage from the early 1920s to the late 1930s. In 1943, after falling out of favor with the Nazis and interned by the Allies, Putzi was bailed out of the miseries of a Canadian prisoner of war camp by his friend and protector President Franklin D. Roosevelt. When FDR's actions threatened to become an internal political problem in the United States, Putzi was re-interned in England. As if it is not surprising enough to find both Heinrich Himmler and Franklin D. Roosevelt prominent in Putzi's life, we also discover that the Nazi Stormtrooper marching songs were composed by Hanfstaengl, "including the one that was played by the brownshirt columns as they marched through the Brandenburger Tor on the day Hitler took over power."<sup>5</sup> To top this eye-opener, Putzi averred that the genesis of the Nazi chant "Sieg Heil, Sieg Heil," used in the Nazi mass rallies, was none other than "Harvard, Harvard, Harvard, rah, rah, rah."

Putzi certainly helped finance the first Nazi daily press, the *Volkische Beobachter*. Whether he saved Hitler's life from the Communists is less verifiable, and while kept out of the actual writing process of *Mein Kampf* — much to his disgust — Putzi did have the honor to finance its publication, "and the fact that Hitler found a functioning staff when he was released from jail was entirely due to our efforts.,"<sup>7</sup>

When Hitler came to power in March 1933, simultaneously with Franklin Delano Roosevelt in Washington, a private "emissary" was sent from Roosevelt in Washington, D.C. to Hanfstaengl in Berlin, with a message to the effect that as it appeared Hitler would soon achieve power in Germany, Roosevelt hoped, in view of their long acquaintance, that Putzi would do his best to prevent any rashness and hot-headedness. "Think of your piano playing and try and use the soft pedal if things get too loud," was FDR's message. "If things start getting awkward please get in touch with our ambassador at once."<sup>8</sup>

Hanfstaengl kept in close touch with the American Ambassador in Berlin, William E. Dodd — apparently much to his disgust, because Putzi's recorded comments on Dodd are distinctly unflattering:

In many ways, he [Dodd] was an unsatisfactory representative. He was a modest little Southern history professor, who ran his embassy on a shoestring and was probably trying to save money out of his pay. At a time when it needed a robust millionaire to compete with the flamboyance of the Nazis, he teetered around self-effacingly as if he were still on his college campus. His mind and his prejudices were small.<sup>9</sup>

In point of fact Ambassador Dodd pointedly tried to decline Roosevelt's Ambassadorial appointment. Dodd had no inheritance and preferred to live on his State Department pay rather than political spoils; unlike the politician Dodd was particular from whom he received money. In any event, Dodd commented equally harshly on Putzi, "... he gave money to Hitler in 1923, helped him write *Mein Kampf*, and was in every way familiar with Hitler's motives ...."

Was Hanfstaengl an agent for the Liberal Establishment in the U.S.? We can probably rule out this possibility because, according to Ladislas Farago, it was Putzi who blew the whistle on top-level British penetration of the Hitler command. Farago reports that Baron William S. de Ropp had penetrated the highest Nazi echelons in pre-World War II days and Hitler used de Ropp "... as his confidential consultant about British affairs."<sup>10</sup> De Ropp was suspected as being a double agent only by Putzi. According to Farago:

The only person ... who ever suspected him of such duplicity and cautioned the Fuehrer about him was the erratic Putzi Hanfstaengl, the Harvard educated chief of Hitler's office dealing with the foreign press.

As Farago notes, "Bill de Ropp was playing the game in both camps — a double agent at the very top."<sup>11</sup> Putzi was equally diligent in warning his friends, the Hermann Goerings, about potential spies in *their* camp. Witness the following extract from Putzi's memoirs, in which he points the accusing finger of espionage at the Goerings' gardener..

"Herman," I said one day, "I will bet any money that fellow Greinz is a police spy." "Now really, Putzi," Karin [Mrs. Herman Goering] broke in, "he's such a nice fellow and he's a wonderful

gardener." "He's doing exactly what a spy ought to do," I told her, "he has made himself indispensable."<sup>12</sup>

By 1941 Putzi was out of favor with Hitler and the Nazis, fled Germany, and was interned in a Canadian prisoner of war camp. With Germany and the United States now at war Putzi re-calculated the odds and concluded, "Now I knew for certain that Germany would be defeated."<sup>13</sup> Putzi's release from the POW camp came with the personal intervention of old friend President Roosevelt:

One day a correspondent of the Hearst press named Kehoe obtained permission to visit Fort Hens. I managed to have a few words with him in a corner. "I know your boss well," I told him. "Will you do me a small service?" Fortunately he recognized my name.

I gave him a letter, which he slipped into his pocket. It was addressed to the American Secretary of State, Cordell Hull. A few days later it was on the desk of my Harvard Club friend, Franklin Delano Roosevelt. In it I offered to act as a political and psychological warfare adviser in the war against Germany.<sup>14</sup>

The response and offer to "work" for the American side was accepted. Putzi was installed in comfortable surroundings with his son, U.S. Army Sergeant Egon Hanfstaengl, also there as a personal aide. In 1944, under pressure of a Republican threat to blow the whistle on Roosevelt's favoritism for a former Nazi, Egon was shipped out to New Guinea and Putzi hustled off to England, where the British promptly interned him for the duration of the war, Roosevelt or no Roosevelt,

## **Putzi's Role in the Reichstag Fire**

Putzi's friendships and political manipulations may or may not be of any great consequence, but his role in the Reichstag fire is significant. The firing of the Reichstag on February 27, 1933 is one of the key events of modern times. The fire was used by Adolf Hitler to claim imminent Communist revolution, suspend constitutional rights, and seize totalitarian power. From that point on there was no turning back

for Germany; the world was set upon the course to World War II.

At the time the firing of the Reichstag was blamed on the Communists, but there is little question in historical perspective that the fire was deliberately set by the Nazis to provide an excuse to seize political power. Fritz Thyssen commented in the post-war Dustbin interrogations:

When the Reichstag was burned, everyone was sure it had been done by the communists. I later learned in Switzerland that it was all a lie.<sup>15</sup>

Schacht states quite emphatically:

Nowadays it would be quite clear that this action could not be fastened on the Communist Party. To what extent individual National Socialists co-operated in the planning and execution of the deed will be difficult to establish, but in view of all that has been revealed in the meantime, the fact must be accepted that Goebbels and Goering each played a leading part, the one in planning, the other in carrying out the plan.<sup>16</sup>

The Reichstag fire was deliberately set, probably utilizing a flammable liquid, by a group of experts. This is where Putzi Hanfstaengl comes into the picture. The key question is how did this group, bent on arson, gain access to the Reichstag to do the job? After 8 p.m. only one door in the main building was unlocked and this door was guarded. Just before 9 p.m. a tour of the building by watchmen indicated all was well; no flammable liquids were noticed and nothing was out of the ordinary in the Sessions Chamber where the fire started. Apparently no one could have gained access to the Reichstag building after 9 p.m., and no one was seen to enter or leave between 9 p.m. and the start of the fire.

There was only one way a group with flammable materials could have entered the Reichstag — through a tunnel that ran between the Reichstag and the Palace of the Reichstag President. Hermann Goering was president of the Reichstag and lived in the Palace, and numerous S.A. and S.S. men were known to be in the Palace. In the words of one author:

The use of the underground passage, with all its complications, was possible only to National-Socialists, the advance and escape of the incendiary gang was feasible only with the connivance of highly-placed employees of the Reichstag. Every clue, every probability points damningly in one direction, to the conclusion that the burning of the Reichstag was the work of National-Socialists.<sup>17</sup>

How does Putzi Hanfstaengl fit into this picture of arson and political intrigue?

Putzi — by his own admission — was in the Palace room at the other end of the tunnel leading to the Reichstag. And according to *The Reichstag Fire Trial*, Putzi Hanfstaengl was actually in the Palace itself during the fire:

propaganda apparatus stood ready, and the leaders of the Storm Troopers were in their places. With the official bulletins planned in advance, the orders of arrest prepared, Karwahne, Frey and Kroyer waiting patiently in their cafe, the preparations were complete, the scheme almost perfect.<sup>18</sup>

Dimitrov also asserts that:

The National-Socialist leaders, Hitler, Goering and Goebbels, together with the high National-Socialist officials, Daluege, Hanfstaengl and Albrecht, happened to be present in Berlin on the day of the fire, despite that the election campaign was at its highest pitch throughout Germany, six days before the poll. Goering and Goebbels, under oath, furnished contradictory explanations for their "fortuitous" presence in Berlin with Hitler on that day. The National-Socialist Hanfstaengl, as Goering's "guest," was present in the Palace of the Reichstag President, immediately adjacent to the Reichstag, at the time when the fire broke out, although his "host" was not there at that time.<sup>19</sup>

According to Nazi Kurt Ludecke, there once existed a document signed by S.A. Leader Karl Ernst — who supposedly set the fire and was later murdered by fellow Nazis — which implicated Goering,



Goebbels, and Hanfstaengl in the conspiracy.

## Roosevelt's New Deal and Hitler's New Order

Hjalmar Schacht challenged his post-war Nuremberg interrogators with the observation that Hitler's New Order program was the same as Roosevelt's New Deal program in the United States. The interrogators understandably snorted and rejected the observation. However, a little research suggests that not only are the two programs quite similar in content, but that Germans had no trouble in observing the similarities. There is in the Roosevelt Library a small book presented to FDR by Dr. Helmut Magers in December 1933.<sup>20</sup> On the flyleaf of this presentation copy is written the inscription,

To the President of the United States, Franklin D. Roosevelt, in profound admiration of his conception of a new economic order and with devotion for his personality. The author, Baden, Germany, November 9, 1933.

FDR's reply to this admiration for his new economic order was as follows:<sup>21</sup>

(Washington) December 19, 1933

My dear Dr. Magers: I want to send you my thanks for the copy of your little book about me and the "New Deal." Though, as you know, I went to school in Germany and could speak German with considerable fluency at one time, I am reading your book not only with great interest but because it will help my German.

Very sincerely yours,

The New Deal or the "new economic order" was not a creature of classical liberalism. It was a creature of corporate socialism. Big business as reflected in Wall Street strived for a state order in which they could control industry and eliminate competition, and this was the heart of FDR's New Deal. General

Electric, for example, is prominent in both Nazi Germany and the New Deal. German General Electric was a prominent financier of Hitler and the Nazi Party, and A.E.G. also financed Hitler both directly and indirectly through Osram. International General Electric in New York was a major participant in the ownership and direction of both A.E.G. and Osram. Gerard Swope, Owen Young, and A. Baldwin of General Electric in the United States were directors of A.E.G. However, the story does not stop at General Electric and financing of Hitler in 1933.

In a previous book, *Wall Street and the Bolshevik Revolution*, the author identified the role of General Electric in the Bolshevik Revolution and the geographic location of American participants as at 120 Broadway, New York City; the executive offices of General Electric were also at 120 Broadway. When Franklin Delano Roosevelt was working in Wall Street, his address was also 120 Broadway. In fact, Georgia Warm Springs Foundation, the FDR Foundation, was located at 120 Broadway. The prominent financial backer of an early Roosevelt Wall Street venture from 120 Broadway was Gerard Swope of General Electric. And it was "Swope's Plan" that became Roosevelt's New Deal — the fascist plan that Herbert Hoover was unwilling to foist on the United States. In brief, both Hitler's New Order and Roosevelt's New Deal were backed by the same industrialists and in content were quite similar — *i.e.*, they were both plans for a corporate state.

There were then both corporate and individual bridges between FDR's America and Hitler's Germany. The first bridge was the American I.G. Farben, American affiliate of I.G. Farben, the largest German corporation. On the board of American I.G. sat Paul Warburg, of the Bank of Manhattan and the Federal Reserve Bank of New York. The second bridge was between International General Electric, a wholly owned subsidiary of General Electric Company and its partly owned affiliate in Germany, A.E.G. Gerard Swope, who formulated FDR's New Deal, was chairman of I.G.E. and on the board of A.E.G. The third "bridge" was between Standard Oil of New Jersey and Vacuum Oil and its wholly owned German subsidiary, Deutsche-Amerikanische Gesellschaft. The chairman of Standard Oil of New Jersey was Walter Teagle, of the Federal Reserve Bank of New York. He was a trustee of Franklin Delano Roosevelt's Georgia Warm Springs Foundation and appointed by FDR to a key administrative post in the National Recovery Administration.



These corporations were deeply involved in both the promotion of Roosevelt's New Deal and the construction of the military power of Nazi Germany. Putzi Hanfstaengl's role in the early days, up to the mid-1930s anyway, was an informal link between the Nazi elite and the White House. After the mid-1930s, when the world was set on the course for war, Putzi's importance declined — while American Big Business continued to be represented through such intermediaries as Baron Kurt von Schroder attorney Westrick, and membership in Himmler's Circle of Friends.

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#### Footnotes:

<sup>1</sup>William E. Dodd, *Ambassador Dodd's Diary, 1933-1938*, (New York: Harcourt, Brace & Co., 1941), p. 360.

<sup>2</sup>Ernst Hanfstaengl, *Unheard Witness*, (New York: J.B. Lippincott, 1957), p. 28.

<sup>3</sup>*Ibid.*, p.

<sup>4</sup>*Ibid.*, p. 52.

<sup>5</sup>*Ibid.*, p. 53.

<sup>6</sup>*Ibid.*, p. 59.

<sup>7</sup>*Ibid.*, p. 122.

<sup>8</sup>*Ibid.*, pp. 197-8.

<sup>9</sup>*Ibid.*, p. 214.

<sup>10</sup>Ladislav Farago, *The Game of the Foxes*, (New York: Bantam, 1973), p. 97.

<sup>11</sup>ibid., p. 106.

<sup>12</sup>Ernst Hanfstaengl, *Unheard Witness*, op. cit., p. 76.

<sup>13</sup>ibid.

<sup>14</sup>ibid., pp. 310-11.

<sup>15</sup>*Dustbin* report EF/Me/1. Interview of Thyssen, p. 13.

<sup>16</sup>Hjalmar Horace Greeley Schacht, *Confessions of "The Old Wizard,"* (Boston: Houghton Mifflin, 1956), p. 276.

<sup>17</sup>George Dimitrov, *The Reichstag Fire Trial*, (London: The Bodley Head, 1934), p. 309.

<sup>18</sup>ibid., p. 310.

<sup>19</sup>ibid., p. 311.

<sup>20</sup>Helmut Magers, *Ein Revolutionar Aus Common Sense*, (Leipzig: R. Kittler Verlag, 1934).

<sup>21</sup>Nixon, Edgar B., Editor, *Franklin D. Roosevelt and Foreign Affairs*, (Cambridge: The Belknap Press of Harvard University Press, 1969), Volume 1: January 1933-February 1934. Franklin D. Roosevelt Library. Hyde Park, New York.

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