

75 years since the Nazi assumption of power

Hitler's "intelligible response" to the contradictions of global capitalism

The Wages of Destruction by Adam Tooze

Stefan Steinberg
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Adam Tooze, *The Wages of Destruction: The Making and Breaking of the Nazi Economy*, Allen Lane: 2006, 832 pages, now available in German translation

Seventy-five years after the taking of power by the National Socialists in Germany the phenomena of the party led by Hitler and the enormous destruction wrought by his movement in the space of just over a decade still remain a source of mystery for many commentators.

In its special edition to mark the anniversary of the Nazi takeover (14 January 2008), the prominent German news magazine *Der Spiegel* headlined its main article "The Triumph of Madness."

Writing in the January 24 edition of the *London Book Review* the veteran Stalinist historian Eric Hobsbawm struck a similar note: "The fact is that no one, right, left or centre, got the true measure of Hitler's National Socialism, a movement of a kind that had not been seen before and whose aims were rationally unimaginable ..."

There can be no doubt that Hitler fascism was responsible for a degree of human deprecation and brutality which quite rightly continues to shock and horrify today, but that does not mean his movement was incomprehensible. In fact, there has been a great deal of scholarship in recent years that has thrown important new light on the emergence and rise to prominence of National Socialism.

Utilising new sources, including important archives opened up by the fall of Stalinism in the former USSR and Eastern Europe, the British historians Ian Kershaw and Richard Evans have both published multi-volume works which considerably broaden our understanding of the social and political background to Hitler's own rise to power—Kershaw's two-volume biography of the dictator (*Hitler: 1889-1936: Hubris, and Hitler: 1936-1945: Nemesis*) and the three volumes by Richard J. Evans on the Third Reich (the third volume of the series is still to be completed).

A third very valuable contribution to the current wave of research into National Socialism is the volume by a British historian based at Cambridge University, Adam Tooze—*The Wages Of Destruction*, which is now available in German translation. In his book Tooze sets out to identify and examine the economic driving forces behind the National Socialist project and in so doing presents the first extensive investigation of this type for many decades.

Tooze begins his book with the famous quote by Karl Marx whereby people "make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past." Tooze then notes that Marx in his famous text *The Eighteenth Brumaire of Louis Bonaparte* (1852) then proceeds to deal with a host of political and ideological aspects dealing with the rule of Louis Bonaparte rather than

merely presenting a discourse over economics and modes of production. By the same token, Tooze goes on: "it is with good reason ... that recent writing on the Third Reich has been preoccupied with politics and ideology."

However, such concentration on politics and ideology also comes at a cost. For far too long there has been no serious research into the significance of economic issues in the ascension to political prominence and power on the part of the National Socialists. Tooze undertakes to set the record straight and examines the explosive economic contradictions that played such a crucial role in determining the path of National Socialism.

It is only on the basis of studying the significance of such economic issues that one can explain the support won by Hitler's movement from important sections of the German business and political elite.

In the introduction to his book Tooze puts forward his basic thesis:

"The originality of National Socialism was that rather than meekly accepting a place for Germany within a global economic order dominated by the affluent English speaking countries, Hitler sought to mobilise the pent-up frustrations of his population to mount an epic challenge to this order. Repeating what Europeans had done across the globe over the previous three centuries, Germany would carve out its own imperial hinterland; by one last great land grab in the East it would create the self-sufficient basis both for domestic affluence and the platform necessary to prevail in the coming superpower competition with the United States.... The aggression of Hitler's regime can thus be rationalised as an intelligible response to the tensions stirred up by the uneven development of global capitalism, tensions that are of course still with us today."

It is only on the basis of grasping this "intelligible response" by the Hitler regime, which was shared by broad layers of the German ruling and military elite, that one can explain the ultimately crazed nature of Hitler's military campaign whereby Germany and its fascist allies conducted a series of simultaneous wars against all of the major imperialist powers.

As Tooze explains later in his book, other aspects of the National Socialist strategy which are also often dismissed as simply incomprehensible—such as its campaign against European Jewry and the eventual mass destruction of the Jews—can only be fully understood in connection with the imperial aims laid down by the leading National Socialists in their program and policy statements. As Tooze notes in his introduction: "I emphasise the connections between the wars against the Jews and the regime's wider projects of imperialism, forced labour and deliberate starvation."

In order to underline his argument, Tooze cites at some length from Hitler's little known *Second Book*, a collection of passages drawn from

speeches made by the NS leader towards the end of the 1920s. Drafted some three years after *Mein Kampf*, Hitler increasingly turns his attention to economic issues and, in particular, the widening social and economic gap between Europe and America. Tooze quotes a key passage from the *Second Book*:

“The European today dreams of a standard of living, which he derives as much from Europe’s possibilities as from the real conditions of America. Due to modern technology and the communication it makes possible, the international relations amongst peoples have become so close that the European, even without being fully conscious of it, applies as the yardstick for his life, the conditions of American life...”

Hitler points out that in contrast to the disparate European nations, America possessed the advantage of a huge internal market and access to abundant supplies of raw materials. In particular, Hitler identifies the car industry as the outstanding example of American productive superiority. Due to the advantages of scale and forms of production, Germany, in its existing state, would never be able to compete with American industry.

Hitler estimated that German levels of production and living standards lagged approximately 25 to 30 years behind those of America. This gap is confirmed by statistics drawn up at the time. The census of 1933, for example, records that nearly 30 percent of the German workforce still worked in agriculture, and Tooze presents additional material that makes clear the low level of wages in German industry and the limited development of its middle class compared to Great Britain and America.

The issue for Hitler in the *Second Book* was how to close this gap. His conclusion was the necessity for an explosive expansion of the German Reich towards the East aimed at securing access to raw materials and a hugely expanded workforce. As Tooze puts it: “Fordism, in other words, required Lebensraum.”

At the same time, Tooze also dispels any illusions that Hitler spoke or acted in the manner of a committed European: “Not that Hitler was an adherent of pan-European ideas. He regarded any such suggestion as vapid, ‘Jewish’ nonsense. The European response to the United States had to be led by the most powerful European state”—i.e., Germany.

Tooze reinforces his presentation of the economic factors that led Hitler to develop his plan for imperialist expansionism based on military force by making a comparison between the dictator and the Weimar chancellor and foreign minister Gustav Stresemann. Stresemann and Hitler were avowed enemies—the former dedicated to the defence of the Weimar Republic, the latter a vicious opponent of the republic. But as Tooze points out, both men were part of a shared political culture and carefully studied the standpoints of one another.

Stresemann was also very aware of the economic and social disadvantages shared by Germany and Europe compared to America, but Stresemann sought to resolve this problem largely through increased cooperation with the US. Where the two men did overlap was with regard to expansionism towards the East. Following the Treaty of Brest-Litovsk, which ended the First World War, Stresemann was a vehement advocate of the expansion of the German Reich towards the East (*Grossraum*)—in particular, the German annexation of large areas of Polish territory, albeit through diplomacy and trade rather than war and imperialist occupation.

Stresemann’s own “Atlantis strategy” was shattered by the Wall Street crash of 1929 and the resulting economic crisis, which opened the way for Hitler’s much more radical solution to Germany’s woes. Characteristic of the political shift within the German elite was the itinerary of the president of the Reichsbank under Stresemann, Hjalmar Schacht, who became increasingly disillusioned with the Weimar Republic.

In 1932, Schacht helped petition industrial leaders requesting that President Hindenburg nominate Adolf Hitler as German chancellor; and following the Nazi takeover in 1933, Schacht was restored to his post as chairman of the Reichsbank. In this position, he played a key role in the key early years of Hitler’s rule by integrating German big business and

banking interests into the National Socialist strategy—in particular, the freeing up of capital for a massive rearmaments programme and preparation for war.

Tooze sums up the relationship between German big business and the Nazis in his chapter “The Regime and German business.” Tooze writes: “The meeting of 20 February (1933) and its aftermath are the most notorious instances in the willingness of German big business to assist Hitler in establishing his dictatorial regime. The evidence cannot be dodged. Nothing suggests that the leaders of German big business were filled with ideological fervour for National Socialism, before or after National Socialism. Nor did Hitler ask Krupp & Co. to sign up to an agenda of violent anti-Semitism or a war of conquest.... But what Hitler and his government did promise was an end to parliamentary democracy and the destruction of the German left, and for this most of German big business was willing to make a substantial down-payment.”

Following the disastrous “social fascism” policy imposed on the German Communist Party by the Stalinist International, the German working class was divided and robbed of the opportunity of conducting its own struggle against the fascists. In April 1933, Hitler was able to make good on his promises to German big business leaders. The offices of the social democrats, Communists and trade unions were ransacked by Nazi stormtroopers and thousands of leftists consigned to the NS concentration camps.

The leading German business figures watched this process with approval and in the knowledge that the “destruction of the German left” opened up unprecedented opportunities for increased profits based on a huge intensification of the exploitation of labour. This was to find its finished form in the massive use of forced labour to realise the military ambitions of the Third Reich.

Under Hitler’s rule, the race to catch up with the levels of production in the US and Great Britain centred increasingly on production for war. At the same time, he concealed his intentions by promising the German people improvements in their living standards. In typical demagogic fashion, Hitler used the International Motor Show in 1934 to announce his intention of producing “a people’s car,” an affordable car based on mass production and mass consumption. In collaboration with the Porsche car company, designs were drawn up for the first German *Volkswagen*. As Tooze points out, however, not a single car was delivered to a civilian during the entire period of the Third Reich.

Although tens of thousands of Germans had paid hundreds of millions of Reichmarks in pre-payments for such a car, the entire production of Volkswagen Beetles in wartime was allocated for the use of the Nazi bureaucracy and its allies. At the same time, production at the Porsche factories was increasingly concentrated on making tanks and armoured transporters, while the network of roads built across Germany was designed to facilitate the speedy dispatch of military hardware to the various fighting fronts that opened up after the start of the Second World War in 1939.

Behind a smokescreen of speeches in the 1930s emphasising the peaceful ambitions of the Third Reich, Hitler and the NS leadership systematically undertook the reorganisation of German industry and economic life in order to achieve definite military targets. Initially, Hitler calculated that the German economy would only be able to fulfil its production quotas and conduct war in the early 1940s, his planned date for the commencement of war. Tooze notes that in the course of the 1930s, Hitler anxiously followed the figures for steel and coal production, which were vital for the Reich’s plans for military rearmament. Until 1939, Hitler had always hoped that he could avoid a war with Great Britain and even win the imperial power as an ally.

The rapid and successful military occupation of Czechoslovakia combined with increasing indications of an economic crisis at home, including a particularly bad harvest, forced Hitler to move sooner than he

wished. The German army marched into Poland and the die was cast. The slaughter of the Second World War would commence.

Following the seemingly effortless sweep of the German *Wehrmacht* into France, Hitler used the treacherous vacillations of Stalin and the bureaucracy in Moscow to open up an additional front towards the East. Under the terms of the pact signed by Ribbentrop and Molotov in August 1939, the Soviet Union was still delivering materials vital for Hitler's war preparations in the same year—1941—that the German dictator sent his troops across the Soviet border.

The engagement of hundreds of thousands of German troops across Eastern and Western Europe as well as in North Africa had inevitable consequences for the German economy. At the start of 1940, the size of the German army totalled more than 5 million. Increasingly, industrial leaders pointed to the growing lack of labour in German factories following waves of military call-ups. Such labour was necessary for the production of goods for day-to-day life, but especially in order to fulfil the constantly increasing quotas for military production.

Following the dismal failure of an initial effort in 1940 to voluntarily encourage Polish workers to work in German factories, the NS leadership set in motion plans for the forceful deportation of hundreds of thousands of East European workers. At the same time, the "Aryan" occupation of Eastern Europe (*Generalplan Ost*) depended on huge numbers of slave workers. SS leader Heinrich Himmler spelled out the leadership's intentions for the colonisation of Eastern Europe to a meeting of the SS in 1942:

"If we do not fill our camps with slaves—in this room I mean to say things very firmly and very clearly—with worker slaves, who will build our cities, our villages, our farms without regard to any losses, then even after years of war we will not have enough money to be able to equip the settlements in such a manner that real Germanic people can live there and take root in the first generation."

The initial total put forward for the labour force necessary for the implementation of *Generalplan Ost* was between 400,000 and 800,000 workers—"Jews, Poles and Soviet prisoners of war." The first camps to be set up in Eastern Europe operated on the basis of providing the reservoir of slave labour necessary for the increasingly maniacal plans of the NS leadership. Tooze deals with this issue at length in his chapter "Labour, Food and Genocide."

While Hitler had made anti-Semitism a stock in trade of his politics from the beginning of the 1920s [1] the annihilation of European Jewry in the course of the Second World War can only be properly understood in connection with the increasing crisis of the NS leadership and its plans for the colonisation of Eastern Europe in the wake of a series of military setbacks on the Eastern Front. Tooze writes: "If one accepts that the Judaeocide was an ideological end in itself, indeed an obsessive fixation of the Nazi leadership, then it is even possible to see the forced labour programme and the genocide less as contradictions than as complementary. Gauleiter (Fritz) Saukel's success in recruiting millions of workers from across Eastern and Western Europe made the Jews appear dispensable."

As the level of casualties within the German army rose to huge proportions, Hitler was increasingly forced to intensify the mobilisation of forced labour. From the start of 1942 to the summer of 1943, a total of 2.8 million foreign workers were forcibly transported to work in the German factories. The fittest of those incarcerated in the labour and concentration camps spread across Eastern Europe were selected for work. In a chilling passage, Tooze cites the criteria laid down by the *Wehrmacht*, outlining the relation between the availability of food and labour power.

"The concepts of normal labour, heavy labour and extra heavy labour have to be regarded in objective terms, independent of racial consideration, as a through-put of calories and muscular effort. It is illusory to believe that one can achieve the same performance from 200

inadequately fed people as with 100 properly fed workers. On the contrary: the 100 well-fed workers produce far more and their employment is far more rational. By contrast, the minimum rations distributed to simply keep people alive, since they are not matched by any equivalent performance, must be regarded from the point of view of the national war economy as a pure loss, which is further increased by the transport costs and administration."

The bloodcurdling logic of this argument was clear. Under conditions where food was in short supply, it was preferable to dispense with a part of the forced workforce rather than keep alive malnourished workers unable to maintain production targets. The shortage of food in the middle of the war therefore became a powerful impetus for the systematic decimation of a part of the workforce, which according to Nazi ideology was of inferior stock—the Jews of Central and Eastern Europe. Tooze writes: "[I]n the summer of 1942 it was the concerted extermination of Polish Jewry that provided the most immediate and fail-safe means of freeing up food for delivery to Germany."

In fact, the extermination of entire population groups already had been drawn up by Nazi ideologists in 1941. While the Final Solution and the *Generalplan Ost* remained secret, the so-called Hunger Plan had been widely discussed in National Socialist leadership circles in early 1941. Drawn up by the racist ideologue Herbert Backe, the plan envisaged the systematic extermination of up to 30 million people in the western Soviet Union in order to free up Ukrainian grain (the Ukrainian bread basket) for German consumption. Only the setbacks suffered by the German Army high command on the Eastern Front prevented the plan from being put into operation.

In this connection, Tooze devotes a chapter in his book to the role played by Albert Speer, who was appointed as Nazi in charge of war production following the death of the minister for armaments and war production, Fritz Todt, in a plane crash in 1942. Speer has been a controversial figure in recent German historical research, in particular following his partial rehabilitation by the prominent German biographer of Hitler, Joachim Fest. Tooze, however, makes absolutely clear that far from being just an obedient lackey of the NS leadership who was kept in the dark about many of the most abominable Nazi crimes, Speer was in fact instrumental in massively intensifying the regime of forced labour in Germany and Eastern Europe—in the closest collaboration with the SS.

The final chapters of Tooze's important book deal with the increasing reverses and defeats suffered by the National Socialists as its plans for a Thousand Year Reich unravelled in the space of months. While the entry of the United States with its enormous productive capacity served to mightily boost the alliance of Western capitalist countries opposing Hitler, the most devastating blow to the *Wehrmacht* was delivered on the Eastern Front. Despite the enormous betrayals and vacillations of the Stalinist leadership, the Soviet people and soldiers rallied with grim determination to repulse the Nazi invasion. Western historians have often spoken of an "armaments miracle" to describe the transformation of the German economy into production primarily for war.

Tooze takes a different view and writes: "If there was a true 'armaments miracle' in 1942 it occurred, not in Germany, but in the armaments factories of the Urals. Despite having suffered territorial losses and disruption that resulted in a 25 percent fall in total national product, the Soviet Union in 1942 managed to out-produce Germany in virtually every category of weapons." It was the reverses for the German army at the hands of Soviet troops on the Eastern Front that finally spelled the end of the Reich.

In his final chapter, Tooze returns to the support given by German business to the National Socialist project and makes clear that, while there were tensions between the heads of industry and finance with regard to Hitler's war policy and international agenda, "the domestic authoritarianism of Hitler's coalition was much to their liking, as were the

healthy profits that rolled in from the mid-1930s.”

Tooze’s book serves as a refreshing and very necessary antidote to some of the more absurd theories currently in circulation concerning the nature of the National Socialist dictatorship. In particular, Tooze has directly opposed the ludicrous thesis put forward by the German historian Götz Aly in his recent book, *Hitler’s Beneficiaries: Plunder, Racial War, and the Nazi Welfare State*.

While Tooze is quite explicit about the class forces and elitist interests that helped National Socialism into the saddle, Götz Aly takes a very different approach. As Aly told the newspaper *Die Welt*: “Because I knew better, I was disturbed from the start by the one-sided delegation of blame on German industry, on the banks, etc.”

For Aly, National Socialism represented an unprecedented experiment in the equitable distribution of social wealth. National Socialism created “a hitherto unknown level of equality and social mobility towards the top.”

What has to be emphasised about National Socialism, according to Aly, is not the brutality of a regime based on concentration camps and the torture chambers of the SS, but rather Hitler’s pernicious promotion of a welfare state to benefit all Germans. Aly writes: “Whoever seeks to understand the destructive success of National Socialism must also examine the reverse side of the policy of destruction...the modern, social political, warmed-over dictatorship based on favours.”

A careful reading of Tooze’s book makes nonsense of Aly’s attempts to whitewash the role of German business and industry in the rise to prominence of the National Socialists. At the same time, in separate articles and speeches (recently in the Humboldt University in Berlin), Tooze has directly tackled the historical distortions made by Aly. According to Tooze, Aly’s outrageous claims are “contrary to all empirical evidence and to any body of economic theory.”

Tooze demonstrates that Aly is thoroughly selective and one-sided in his use of sources when he seeks to demonstrate that German industry was subject to coercion by the Nazis and that ordinary Germans enjoyed favourable living standards during the war at the expense of the expropriated Jews and other national groups.

Tooze comments in his polemic with Aly: “Recent studies...suggest that coercion was far from the norm and that on the whole the industrial politics of the Third Reich rested on a mutually profitable partnership between the public authorities and the business community....”

At the same time, Aly’s claim that the German wartime economy was largely buoyed by confiscated foreign reserves is also not backed up by the historical record. Tooze notes that, in fact, “The relative contribution from foreign and domestic sources [to the German economy] was the inverse of that claimed by Aly—25 percent foreign to 75 percent German.”

Tooze goes on to draw a parallel between the arguments used by Aly and the notorious American historian Daniel Goldhagen: “Whereas Goldhagen spoke in undifferentiated terms of Germans as eliminationist anti-Semites, Aly is no less blanket in his condemnation of Germans as witless, apolitical animals.”

Finally, Tooze points to the political agenda motivating Aly: In contrast to Goldhagen “Aly...is overt in his instrumentalisation of the atrocious history of the Third Reich for present-day polemical purposes.” Aly represents “a segment of the German left which now takes flight into an absolute rejection of the welfare state, legitimised by Aly’s association of social egalitarianism with National Socialism.” [2]

While Tooze undertakes his examination of the economic roots and motivation of National Socialism in *The Wages of Destruction* with the assiduous attention to detail and the historical record one expects from a leading historian, he also makes clear that the system that gave rise to fascism is still with us today. As pointed out in the already cited quote: “The aggression of Hitler’s regime can thus be rationalised as an intelligible response to the tensions stirred up by the uneven development

of global capitalism, tensions that are of course still with us today.”

His book is highly recommended.

Notes:

1. Hitler’s brand of anti-Semitism was crucially linked to his virulent opposition and hatred of the organised socialist workers movement: “When I recognised the Jew as the leader of the Social Democracy, the scales dropped from my eyes. A long soul struggle had reached its conclusion” (*Mein Kampf*).
2. At the end of the 1960s and early 1970s, Götz Aly was active in Maoist political circles. “He was a member of the Roten Zellen and founder of the magazine *Hochschulkampf*. Between 1971 and 1973 Aly was a member of the Maoist *Roten Hilfe* and according to his own recollections sympathised at the time with the Red Army Faction” (*taz*).

In many respects, Aly’s political itinerary resembles that of the French radicals and former Maoists and Stalinists who later became the most virulent opponents of socialism (see *The Black Book*).



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