

## Nazi Economic Policy 1933-1939

People will **vote for or join** a political party that they believe will **increase their wealth, power, and prestige**. One of the most important reasons why the Nazi Party gained in popularity in the late 1920s was because of the **economic chaos** in Germany after the Wall St Crash of **1929**. The Nazis realised that if they were to gain and keep mass support from the German people, they would have to tackle these serious issues:

- **Unemployment** – this had risen to over 6 million by 1932
- Inflation and **hyperinflation** – Germany had faced devastating hyperinflation in **1923** when \$1 = 4,200,000,000 marks
- **Self-sufficiency** (autarky) - Germany **relied on overseas trade for vital raw materials and food supplies**. Part of the reason Germany had lost the Great War was because it hadn't been able to maintain these supplies. Hitler hoped to **make Germany self-sufficient**.

The Nazis had been relatively unpopular between 1923-1928, but their **fortunes changed with the Wall Street Crash** in October 1929. Desperate for capital, the **United States began to recall loans** from Europe. One of the consequences of this was a rapid increase in **unemployment**. Germany, whose economy relied heavily on investment from the United States, suffered more than any other country in Europe.

Before the crash, 1.25 million people were unemployed in Germany. By the end of 1930 the figure had reached nearly 4 million, 15.3 per cent of the population. Even those in work suffered as many were only working part-time. With the drop in demand for labour, wages also fell and those with full-time work had to survive on lower incomes. Hitler, who was considered a **fool in 1928 when he predicted economic disaster**, was now seen in a **different light**. People began to say that if he was **clever enough to predict** the depression maybe he also **knew how to solve** it.

By 1932 over 30 per cent of the German workforce was unemployed. In the **1933 Election campaign**, Adolf Hitler promised that if he **gained power he would abolish unemployment**. He was lucky in that the German **economy was just beginning to recover** when he came into office. However, the **policies** that Hitler introduced **did help to reduce the number of people unemployed** in Germany.

### Nazi economic policies:

- On 2nd May, 1933, Adolf Hitler ordered the **Sturm Abteilung (SA)** to arrest Germany's trade union **leaders**. Robert Ley formed the **Labour Front (DAF)**, the **only union organization allowed** in the Third Reich.
- A **pay freeze** was introduced in 1933 and this was enforced by the Labour Front. **Wages** were now decided by the Labour Front and **compulsory deductions** made for income tax, and for its **Strength through Joy programme**. The Labour Front issued **work-books** that recorded the worker's **employment record** and no one could be employed without one.
- The government **banned** the introduction of some **labour-saving machinery**.
- Employers had to **get government permission before reducing** their labour force.
- The Nazi government gave **work contracts** to those companies that relied on **manual labour** rather than machines. This was especially true of the government's **massive autobahn (motorway) programme**.
- The Nazis concentrated on **rearming**. Thousands of Germans worked in **factories producing weapons**.
- **Conscription into the German armed forces** helped to reduce the numbers of unemployed.
- Hitler also encouraged the **mass production of radios**. In this case he was not only concerned with reducing unemployment, but saw them as a means of supplying a **steady stream of Nazi propaganda** to the German people.
- **Youth unemployment** was dealt with by the forming of the **Voluntary Labour Service (VLS)** and the **Voluntary Youth Service (VYS)**, these planted forests, repaired river banks and helped reclaim wasteland.
- **Women in certain professions such as doctors and civil servants were dismissed**, while other married women were paid a **lump sum of 1000 marks to stay at home**.
- In the summer of **1935** Adolf Hitler announced the introduction of **Labour Service (RAD)**. Under this measure **all men** aged between the ages of **nineteen and twenty-five** had work for the government for **six months**. Later **women** were also included in the scheme and they did work such as **teaching and domestic service**.

## Strength through Joy

The Strength through Joy organisation was set up to encourage workers to work as hard as they could for Germany and the Nazis. The offer of cheap holidays and a car were good ways to win the support of the average person in the street. A cruise to the Canary Islands cost 62 marks - easily affordable to many, though most cruises were taken up by Nazi Party officials. Walking and skiing holidays in the Bavarian Alps cost 28 marks. A two-week tour of Italy cost 155 marks. Ley ordered the building of two new cruise-liners that were used to take German workers on foreign holidays. In 1938 an estimated 180,000 people went on cruises to places such as Maderia and the Norweigan fjords. Others were given free holidays in Germany. The Strength through Joy programme also built sports facilities, paid for theatre visits and financially supported travelling cabaret groups. Although the German worker paid for these benefits through compulsory deductions, the image of people being given holidays and subsidized entertainment was of great propaganda value to the Nazi government.

Although he couldn't drive, Hitler loved cars and wanted every family in Germany to own a car. He even became involved in designing the affordable Volkswagen (The People's Car). The Nazis created a scheme whereby the workers could get a car. The Beetle, designed by Ferdinand Porsche, cost 990 marks. This was about 35 weeks wages for the average worker. To pay for one, workers went on a hire purchase scheme. They paid 5 marks a week into an account. Theoretically, when the account had reached 750 marks the worker would be given an order number which would lead to them receiving a car. In fact, no-one received a car. The millions of marks invested into the scheme were re-directed into the rapidly expanding weapons factories. This accelerated as World War Two approached. No-one complained as to do so could lead to serious trouble with the secret police. [COERCION??]

## Leisure

The leisure time of the workers was also taken care of. An organisation called Kraft durch Freude (KdF) took care of this. Ley and the KdF worked out that each worker had 3,740 hours per year free for pursuing leisure activities - which the state would provide. The activities provided by the state were carefully and systematically recorded. For the Berlin area (1933-38):

| Type of Event                                         | Number of events | Number of people involved |
|-------------------------------------------------------|------------------|---------------------------|
| Theatre performances                                  | 21,146           | 11,507,432                |
| Concerts                                              | 989              | 705,623                   |
| Hikes                                                 | 5,896            | 126,292                   |
| Sports Events                                         | 388              | 1,432,596                 |
| Cultural events                                       | 20,527           | 10,518,282                |
| Holidays and cruises                                  | 1,196            | 702,491                   |
| Museum tours                                          | 61,503           | 2,567,596                 |
| Exhibitions                                           | 93               | 2,435,975                 |
| Week-end trips                                        | 3,499            | 1,007,242                 |
| Courses/Lectures at the German Adult Education Office | 19,060           | 1,009,922                 |

Reference:

Article: Nazi Economic Policy

<http://www.google.com.sg/url?sa=t&rct=j&q=&esrc=s&source=web&cd=7&ved=0CFMQFjAG&url=http%3A%2F%2Fatschool.eduweb.co.uk%2Ffredschl%2Fhistorydocs%2FGermany%252019191939%2520GCSE%2FNazi%2520Economic%2520Policy%25201933.doc&ei=4zoyU6XPMor7rAeQyIGQCw&usg=AFQjCNEJgi0J7srM6lgunEPxl2c7xuTeww&bvm=bv.63738703,d.bmk>

## CONSENT AND COERCION: THE EVIDENCE

### i) How popular were the Nazis? How far did the Nazis rule by consent?

|   | Evidence                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Which interpretation(s) does it back up? How?                                                                                                                                                              |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Gestapo and SOPADE reports show <b>considerable popularity of Hitler</b> himself, foreign policy, military victories, reinstatement of traditional family values, the removal of gypsies and anti-socials, law and order, <b>destruction of Communists and Social Democrats. [coercion – destruction of political enemies]</b>                                                                                                                                                         | Nazis were considerably popular, led by Hitler's charm among the masses. But they ruled not by consent, largely by terror: removal of political enemies, and people could not seek recourse under the law. |
| B | There was <b>mass participation in Nazi policies [CONSENT -?]</b> , for example, the doctors, nurses engineers who participated in euthanasia and the Final Solution. The Russian army was widely involved in atrocities against Russians Jews. The men who carried out Nazi racial policies were not fanatics but ordinary men e.g. many members of the Hamburg Police Battalion that shot Jews in Soviet Union in 1941-2 had been Social Democrats before war.                       | Mass participation by the ordinary men showed general consent for Nazis.                                                                                                                                   |
| C | Although Hitler enjoyed huge personal popularity, <b>the Nazi Party and its officials did not</b> . Although Nazi attacks on Communists were popular with many, attacks on the <b>churches were extremely unpopular</b> . Foreign policy successes without war were popular, but <b>most Germans wanted to avoid another war</b> and there was <b>no rejoicing about the invasion of Poland or Russia. [COERCION – Not ALL citizens played along with or supported Nazi's actions]</b> | Only partial consent, the rest of the population had to be coerced.                                                                                                                                        |
| D | In <b>interviews for oral history projects, [Possibly underlying COERCION? Because History projects- academics and grades at stake!]</b> Germans recalled the peace-time years of the Third Reich as a period of 'quiet', recalling 'good times' and 'law and order' compared to the Weimar Republic.                                                                                                                                                                                  | Possibly popular in the sense that people were eager to express the good of Nazism – but-possible sense of underlying coercion (and could this have been a cause of propaganda?)                           |
| E | The Nazi regime was <b>less popular</b> during <b>the economic crisis of the winter of 1935/6</b> than in the economic boom of 1936-8. Material hardship and <b>enemy bombing undermined the credibility of the regime after 1942.</b>                                                                                                                                                                                                                                                 |                                                                                                                                                                                                            |
| F | Plebiscites produced <b>90% returns in support of the regime. [Most probably CONSENT – unless(!) these plebiscites were manipulated/dubious]</b>                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                            |
| G | <b>About 8 million Germans had joined Nazi organisations by 1944.</b> Organisations such as the (BDM) League of German Maidens and KDF (Strength through Joy) were popular. <b>[On the surface might show consent – BUT- they might not have had a choice! → COERCION]</b>                                                                                                                                                                                                             |                                                                                                                                                                                                            |
| H | Although some may have joined Nazi organisations <b>out of ideological enthusiasm</b> , many joined for <b>opportunistic reasons e.g. to further their career</b> . Similarly, whilst some healthcare professionals participated in Nazi programmes because they <b>identified with Nazi racial aims</b> , other did so <b>[because they were told to, or for career reasons.] → COERCION</b>                                                                                          |                                                                                                                                                                                                            |
| I | Workers <b>without Socialist traditions</b> e.g. in the Saarland, or those who had previously <b>supported the nationalist</b> cause e.g. Krupp in Essen, were much more <b>positively inclined</b> towards the regime than those from a labour movement background.                                                                                                                                                                                                                   | Only partial popularity                                                                                                                                                                                    |

ii) How far did the Nazis keep control by coercion? How important was terror in the Nazis' control of Germany?

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                               |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| J | Most Germans were <b>untouched by terror</b> , as it was targeted at <b>specific groups</b> . There was <b>considerable support</b> for the Nazis' <b>anti-Communist measures</b> ; there were several <b>volunteers to kill</b> those thought to be responsible for the <b>Reichstag fire</b> . A clause <b>restricting numbers of Jewish students at universities</b> was also popular, because it <b>freed up places</b> .                                                                                                                                                                                                                    | Coercion was applied only to specific groups that contested Nazis' stronghold on power or blemished superiority of Aryan race → was mainly to maintain authority of the Nazi dictatorship and to please the German population |
| K | Many people committed <b>infringements of Nazi regulations without consequences</b> . For example, when interviewed after the war, most people in Cologne admitted to <b>listening to the BBC</b> . Instructions not to fraternise with Polish workers were repeatedly flouted in the German countryside. Attempts to prevent youth listening to <b>jazz music</b> were largely ignored                                                                                                                                                                                                                                                          | Suggests that Nazi policies were not that strictly enforced                                                                                                                                                                   |
| L | Hitler <b>dismantled the legal system and the rule of law</b> . <b>Civil liberties</b> were <b>removed</b> . There was <b>no legal protection</b> against the agencies of state or the Nazi party.                                                                                                                                                                                                                                                                                                                                                                                                                                               | On one hand "no restrictions" on negative freedom, but at the same time no legal recourse → state could take action on citizens without any legal justification → no protection from legal rights                             |
| M | Major cities such as Frankfurt, Hanover and Bremen had <b>under 50 Gestapo officers in operation</b> . At its peak, the Gestapo had <b>only 30,000 officers in total</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Gestapo not a significant force in presence → terror not widely enforced                                                                                                                                                      |
| N | Much of Gestapo's information came from <b>denunciations of Germans by fellow citizens</b> . Around <b>80% of investigations</b> stemmed from <b>voluntary denunciations</b> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Terror not Nazi-enforced, more on the initiative of the citizens                                                                                                                                                              |
| O | <b>Only 25%</b> of denunciations to the Gestapo were made for <b>ideological reasons</b> . The majority of people who made denunciations had mundane reasons for doing so e.g. noisy neighbours, a teacher they disliked.                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                               |
| P | <b>Although</b> the size of the Gestapo was <b>small</b> , <b>fear of surveillance was pervasive</b> . Whether that surveillance was carried out by a <b>Gestapo agent</b> of one's <b>neighbour</b> did not make any difference. Although the terror was exercised against specific groups, <b>large numbers of people suffered</b> . By 1945, approximately <b>one half of Germany's 330,000 Communist party members (1933)</b> had been <b>incarcerated</b> in concentration camps. <b>42,000</b> had been murdered by the Nazis. Also, terror was highly visible e.g. <b>Kristallnacht, Night of the Long Knives</b> had a deterrent effect. | Contrasts response in <b>Source M</b><br>Terror not present physically, but <b>psychologically</b> .<br>Terror acts not frequent; were instead <b>few but significant</b> . 杀一儆百 effect                                       |