

Archives Unbound: The Economy and War in the Third Reich, 1933–1944



Archives Unbound

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The Economy and War in the Third Reich, 1933–1944

This official statistical source is sourced from the Library of the London School of Economics and Political Science. It provides rare, detailed data on the German economic situation during the Third Reich up to and throughout World War II. Consisting of *Monatliche Nachweise über den Auswärtigen Handel Deutschlands* (January 1933-June 1939); *Der Aussenhandel Deutschlands* *Monatliche Nachweise* (July 1939); and *Sondernachweis der Aussenhandel Deutschlands* (August 1939-1944). An intuitive platform makes it all cross-searchable by subject or collection.



When the Nazis came to power the most pressing issue was an unemployment rate of close to 30%. The economic policies of the Third Reich were in the beginning the brainchildren of Hjalmar Schacht, who assumed office as president of the central bank under Hitler in 1933, and became finance minister in the following year. Schacht was one of the few finance ministers to take advantage of the freedom provided by the end of the gold standard to keep interest rates low and government budget deficits high, with massive public works funded by large budget deficits. The consequence was an extremely rapid decline in unemployment—the most rapid decline in unemployment in any country during the Great Depression. Eventually this Keynesian economic policy was supplemented by the boost to demand provided by rearmament and swelling military spending.

Hjalmar Schacht was replaced in 1937 by Hermann Goering when he resigned. Goering introduced the four-year plan whose main aim was to make Germany self-sufficient to fight a war within four years. Under Goering imports were slashed. Wages and prices were controlled—under penalty of being sent to a concentration camp. Dividends were restricted to six percent on book capital. And strategic goals to be reached at all costs were declared: the construction of synthetic rubber plants, more steel plants, automatic textile factories.

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While the strict state intervention into the economy, and the massive rearmament policy, almost led to full employment during the 1930s, real wages in Germany dropped by roughly 25% between 1933 and 1938. Trade unions were abolished, as well as collective bargaining and the right to strike. In place of ordinary profit incentive to guide investment, investment was guided through regulation to accord with needs of the State. Government financing eventually came to dominate the investment process, which the proportion of private securities issued falling from over half of the total in 1933 and 1934 to approximately 10 percent in 1935–1938. Heavy taxes on profits limited self-financing of firms. The largest firms were mostly exempt from taxes on profits, however government control of these were extensive.

Another part of the new German economy was massive rearmament, with the goal being to expand the 100,000-strong German army into a force of millions under the Four-Year Plan. The war came and although the Four-Year Plan technically expired in 1940, Hermann Göring had built up a power base that effectively controlled all German economic and production matters by this point in time. In 1942 the growing burdens of the war and the death of Todt saw the economy move to a full war economy under Albert Speer.

This collection is based on these three economic publications:

- *Monatliche Nachweise-ber den Auswartigen Handel Deutschlands* (January 1933-June 1939)
- *Der Aussenhandel Deutschlands Monatliche Nachweise* (July 1939)
- *Sondernachweis der Aussenhandel Deutschlands* (August 1939-1944).

Sondernachweis der Aussenhandel Deutschlands is particularly important as it provides a thorough breakdown of German foreign trade by commodity, volume and value on a monthly basis. The December issue of each year gives a final listing of annual figures. These publications illustrate a number of major topics, including:

- The importance of German trade with Eastern Europe
- The effect of new trade treaties with Southeastern European states concluded in 1934 and 1935
- Germany's economic offensive beginning in 1934
- Growth of a "command economy" and the requirements of the Rearmament Program
- The balance of payments problem;
- The defeat of "the traditionalists" with the dismissal of Schacht and Neurath and the appointment of Ribbentrop.

Sources:

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