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The Normalisation of Barbarism: Daimler-Benz in the 'Third Reich'

NEIL GREGOR

Since the 1920s and 1930s, the relationship of big business to the 'Third Reich' has been at the centre of successive attempts to explain the nature of National Socialism and the National Socialist regime, both the reasons for its establishment and the causes of its radical expansionism. Furthermore, the behaviour of big business in wartime in particular has come to symbolise the complicity of the German economic and functional elite in the criminality of the Nazi regime. The reasons for this ongoing debate are not hard to find, but they are worth recapping none the less. The 'Third Reich' was established as a direct consequence of the deepest crisis of western capitalism ever known – the Depression; it was simultaneously a product of a deep-seated crisis of liberal democracy, which witnessed a conservative onslaught on the Republican project in Germany in which business played a powerful and active role.¹ Big business was never fully reconciled to the achievements of the 1918–19 revolution and, in the period of intensifying distributional conflict which characterised the post-inflationary period onwards, was one of the key interest groups

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pressing for a marginalisation of the *Reichstag*, for the dismantling of the progressive welfare apparatus established by the Republic, and for rearmament and a more overtly revisionist foreign policy.² After 1933 it profited hugely from the Nazi rearmament programme, experiencing a rapid restoration of profitability, a huge expansion of output, and consistently high levels of investment in the 1930s and early 1940s. Big business was a key beneficiary of the brutal destruction of the organised Left in 1933. The political emasculation of the working class meant that wage levels remained low throughout the 1930s, while the presence of massive state terror behind management facilitated the accelerated adoption of production techniques, management practices and productivity-oriented wage systems which the workers, their scope for informal shop-floor control also greatly limited by the events of 1933, could hardly oppose.³ The massive shift in power between capital and labour which occurred in 1933, in short, had very real consequences for how management behaved towards its workers on the factory level in the 1930s.

Big business not only profited greatly from the production of armaments to facilitate the regime's aggressive expansionism, it also participated actively in the economic exploitation of annexed and occupied territories between 1938 and 1944, acquiring or managing plants under various forms of trusteeship all over occupied Europe.⁴ Labour and resources were not only exploited in the occupied territories themselves, of course: raw materials were plundered and capital stock was requisitioned for transfer back to the old Reich, and, most of all, labour was forcibly deported to Germany. By 1944, there were millions of foreign workers from all over Europe forced to work in the factories of Germany's main war industries.⁵ Up to half of the workforce in some big companies was made up of such workers, and most of these, especially those from Poland or the Soviet Union, were forced to live and work under appalling conditions. Furthermore, many businesses deployed concentration camp inmates and Jewish slave labour at their sites in Germany and abroad.⁶ Both on the actual production lines and in the establishment of underground dispersal sites, where concentration camp inmates were put to work digging out huge caves intended for the re-establishment of production lines in underground facilities, industry

co-operated with the SS in deploying thousands of people at a time under conditions which condemned them to accelerated physical decline – literally, these people were worked to death.⁷ The exploitation of prisoners of war, forced deported labour, and concentration camp and Jewish slave labour all took place primarily in the second half of the war, at precisely the same time that German industrialists were playing a central role in the reorganisation of the war economy under the armaments minister, Albert Speer.

After the war, of course, as the crimes of the ‘Third Reich’ came to light, and as big business sought both to rehabilitate its reputation and to defend itself against compensation claims from the former forced workers, it was asserted that industry had been coerced into participation in these barbarous practices and processes.⁸ It must be recognised, indeed, that business, like everybody else, did not have complete room for manoeuvre *vis-à-vis* the regime, but one can still dispense with a model of the relationship between industry and politics founded on the complete coercion of the former by the latter relatively easily. Industry was not forced to accept armaments contracts against its will – it actively agitated for them; industry was not forced to deploy foreign forced workers – it actively pressed the authorities to deliver as many as possible; it was not even forced to deploy concentration camp inmates – some companies, such as Opel, exploited the limited room for manoeuvre available to them by 1944 to avoid doing so.⁹

At the same time, however, the shift in the balance of power between capital and labour which occurred in 1933 should not lead one to over-hasty and simplistic conclusions regarding the nature of the relationship between business and *politics* between 1933 and 1945; in particular, the partial community of interest that characterised relations between industry and the regime should not be taken as underpinning in any sense the notion that the regime was a creation of big business itself, and one needs to maintain the distinction between relationships that are founded upon partial identities of interest and those that are, at the end of the day, instrumentalist. Economic motives did, undoubtedly, play a role in the formulation of Nazi foreign policy; specific campaigns in the war were often motivated by the desire to acquire control over territory rich in raw materials or oil, for example. But one should not conflate

the idea that economic motives informed the regime's policy decisions to a greater or lesser degree at various junctures with the argument that policy was orchestrated by, and primarily in the interests of, economic interest groups (that is, business itself). Neither in the short- nor in the long-term was Nazi expansionism driven primarily by the agendas of big business or the dynamism of German capitalism. Rather one should remember the primacy of ideology as the motive force behind Nazi expansionism and Nazi barbarism, which leads one to the main problem with Marxist and *Marxisant* theories of fascism – how does one accommodate Nazi racial policy into any model of the relationship between capitalism and fascism? While big business was more than willing to participate in the so-called aryanisation programme (the expropriation of Jewish businesses), it was here, as elsewhere, participating in the implementation of policies formulated more or less autonomously by the regime, for ideological reasons.¹⁰ In other words, the key question to be answered is not one of who controlled who, but of the nature of business collusion in the implementation of essentially autonomously formulated policy.¹¹

An examination of Daimler-Benz AG, the predecessor of today's Mercedes-Benz AG, offers the possibility of using one particular firm to shed light on the possible nature and motives of business behaviour in the 'Third Reich'.¹² Daimler-Benz can be taken as paradigmatic, both insofar as it was a typical armaments manufacturer in the 'Third Reich' itself, and insofar as its longer-term history is fairly representative of the development of German industry in the first half of the twentieth century as a whole. Formed in the context of a stagnant economy and chronic over-capacity in the mid 1920s through the fusion of the Daimler Motor Company, Stuttgart, and Benz and Cie., Mannheim, it teetered on the brink of collapse during the Depression, its turnover halving between 1929 and 1932, by which point its factories were working at only a quarter of their full capacity.¹³ During the Nazi period, it experienced a rapid, rearmament-driven recovery and made huge profits until the latter phase of the war. Despite bomb damage, the core of the company remained fundamentally intact in 1945 and, once a functioning economy had reconstituted itself and the currency been reformed, it expanded business rapidly again during the boom of the 1950s and

1960s. Indeed, as a company at the centre of one of the most dynamic industries upon which the so-called economic miracle was based, it itself played a key role in driving the post-war boom.

The development of this company during the 'Third Reich' can be discussed in terms of three main phases. First, the period 1933–36 can be characterised as the period of economic recovery, initial rearmament, and essentially harmonious relations between the company and the regime; second, the period 1936–41 can be defined as a period of accelerated transition to armaments-based production against the background of diplomatic and, after 1939, military successes, and simultaneously as a period of growing nervousness on the part of the company, as the regime's growing *dirigisme* undermined the autonomy of managerial decision-making at a time when the company was being forced further and further away from its core commercial and consumer production; finally, a distinct phase is discernible in the period from 1942 onwards, the period from the key turning point in the war – the failure of the initial attack on the Soviet Union – to the collapse, a period in which the huge increases in armaments output achieved by German industry under Albert Speer could not prevent successive military reverses, and in which the long war of attrition was followed by the final collapse of Germany's position in the summer of 1944, heralding the imminent end of the 'Third Reich'.

The complexity of the interface and interaction between business and politics in the 'Third Reich' is such that, while it is both legitimate and necessary to conceive of the firm as a single historical actor (not to do so would be to obscure the essentially capitalist rationale which governed business behaviour, including its co-operation with the murderous racist practices of the regime between 1933 and 1945) the problems associated with doing so need to be addressed. Both the minutes of the internal company board meetings and the unified face presented to the outside world exaggerate the internal cohesion of the company board and the coherence of policy formation. As with any company, there were internal divisions of opinion and agenda. Within the board, the existence of three broad positions is discernible, whose relative weight shifted as the regime and its policies evolved.

First, there were convinced, if not fanatical, Nazis who saw the

opportunities offered by the regime as a chance to pursue a massive programme of armaments-orientated expansion both in Germany and in occupied Europe. Second, there were figures of more conservative nationalist persuasion, whose patrician instincts facilitated collaboration with authoritarian forms of rule, who certainly did not reject the regime in any sense and who were not above publicly adopting Nazi racism if it might benefit the company, but who none the less took a somewhat more cautious view of the firm's interests and prospects (Wilhelm Kissel, chairman of the company board from 1926 to 1942 is a case in point here.) Finally, there were also figures who can be seen more as hard-headed technocrats. This generation of technocratic managers came to the fore in the middle of the war – embodied in the replacement of Kissel as chairman in 1942 by the much younger Wilhelm Haspel – and it was precisely this generation that presided over the brutal exploitation of forced workers and concentration camp inmates, a fact which itself tells us much about the hard-headed pragmatic pursuit of company self-interest which led to its collusion in Nazi barbarism. However, it would be equally easy to overstate these divisions, and easy to lose sight of the fact that this was a company whose managers operated collectively and on the basis of interests which were essentially corporate; for all the irrationality which crept into business behaviour towards the end of the war, one must retain still some sense of the company as an animal governed by rational profit-seeking.

The satisfaction of this profit-seeking imperative was at the heart of cementing the relationship between Daimler-Benz and the regime in the first period, 1933–36, the period of economic recovery and initial rearmament. Stimulated by the regime's tax relief measures and aided by the announcement of the regime's *Autobahn* programme, which sent a clear signal that the automobile would be at the centre of future transport policy, the automobile industry, which had been experiencing signs of an upturn in the autumn of 1932, experienced a huge further expansion of demand and production.¹⁴ At Daimler-Benz, car production more or less trebled between 1933 and 1935, as did lorry production, and indeed, overall turnover. The work force rose fourfold in the same period, and by 1936 all of the company's plants had long since been working at full capacity.¹⁵

The company did not owe its miraculous recovery solely to sales of cars and lorries on the commercial and consumer goods markets, however. From 1933 onwards, the company was a major participant in the regime's rearmament programme. It had already had experience of armaments production in the First World War, and from 1925-26 onwards had participated in the secret rearmament programme of the *Reichswehr*.¹⁶ In 1933, it moved to strengthen its already close contacts with the military authorities by establishing a new office in Berlin specifically aimed at acquiring military contracts, recognising the likely importance of growing public contacts in the near future as rearmament gathered pace.¹⁷ It also made a great show of breaking off links with Jewish businesses, and ceasing to engage the services of Jewish lawyers, to stress its ideological conformity and political reliability to the regime.¹⁸ This was indeed a company which identified itself in public very closely with the regime, stressing its nature as a traditional, high-quality, German engineering concern, and not hesitating to play on the American ownership of Opel, for example, to gain competitive advantage over the latter when contending for government contracts. Wilhelm Kissel, the chairman of the company in the 1930s, was not above mobilising the combination of anti-capitalist, anti-internationalist and anti-Semitic sentiments of his audience within the regime when he compared Daimler-Benz as a traditional German company to the 'Jew-tainted' (*jüdisch versippt*) Opel; the irony here is in that in the middle of the war, when Speer was trying to make the war economy more efficient by forcing all producers to construct the model of the most efficient manufacturer, the traditional, German, Daimler-Benz was forced to produce the more efficient lorry of the supposedly 'Jew-tainted' Opel under licence.¹⁹ Upon hearing this news Kissel committed suicide.²⁰

Not only did it gain armaments contracts for all its four main plants in the Stuttgart-Mannheim area, it also reopened a plant in Berlin which had been mothballed during the Depression, in anticipation of armaments contracts. This developed into a major tank, armoured vehicle and aero-engine producing facility producing exclusively for the military. In addition, it established a brand new aero-engine factory just outside Berlin, planned as early as 1934, which by 1939 had become one of the biggest aero-engine factories in Germany.²¹ The significance of armaments production for Daimler-

Benz's recovery in the 1930s is underlined by the fact that whereas in 1933 the proportion of the company's turnover accounted for by armaments contracts was roughly 25 per cent, by 1936 it had already risen to 50 per cent (by 1939, it had reached 65 per cent).²² Unsurprisingly, the company was very pleased with these developments; by 1936 its annual report stated that it had experienced three years of unprecedented expansion and profitability – as a direct result of the heroic policies of the Führer – and was looking to the future with great optimism.²³

In private, however, there was distinct unease beginning to creep into the company management's attitude to the development of the regime's policy by 1936–37, in a period which marks the transition into the second phase defined above. During the years between 1936 and the outbreak of war, Daimler-Benz's profits and turnover continued to expand, but by now significant numbers of industrialists were having growing doubts about the increasing radicalisation of the Nazi regime, and the impact forced rearmament was having on the economy.²⁴ Daimler-Benz's managers were among this group. There were several causes of friction with the regime. Partly, the automobile industry, a traditionally export-minded industry, was opposed to the moves towards autarky embarked upon by the regime in 1936; an element of the friction was due to the attempts by the regime to introduce a forced type reduction and components standardisation programme for the vehicle industry.²⁵ This the industry regarded as illegitimate *dirigiste* interventionism in the free decision-making processes of private companies, and as unnecessarily disruptive to production at a time when demand and output were at an all-time high.

However, it is also very clear that senior managers at the company were highly concerned at the impact rearmament was having on the economy as a whole, and on the structure of the company and its activities in particular.²⁶ The management was wary of creating extra capacity for armaments production at a time when raw materials shortages were such that existing capacity could not be fully utilised on some occasions. More importantly, considerations for the period once the rearmament boom was over (as many industrialists assumed it would be once Germany had achieved parity of armaments with the West and reversed the Treaty of Versailles) meant that, the short-

term lucrativeness of armaments production notwithstanding, the company board was mindful of the need to avoid creating excess capacity which it would be unable to utilise once armaments contracts had tailed off. Hence, it was fearful of becoming over-reliant on military production. The experience of the First World War and its aftermath clearly played an important role here.

In the mid- and late-1930s, therefore, once the impact of the Depression had been overcome and profitability restored, policy oscillated between the idea of expansion to meet increasing demand from the military agencies and caution at over-expanding in the firm expectation that rearmament expenditure would be scaled down in the near future. The company was caught in the dilemma of observing growing diplomatic tension and the increasing likelihood of war on the one hand, which would make armaments production both unavoidable and lucrative, while wishing to avoid over-capacity and over-reliance on military expenditure should the regime's military expenditure recede on the other.

Significantly, the outbreak of war did not alleviate the uncertainty which had characterised the board's strategy in the immediate post-war years.²⁷ In fact, the innate uncertainty of the war situation, which affected Daimler-Benz especially in view of the proximity of its plants to the French border, tended further to encourage a more cautious attitude. The initial caution faded with Germany's military successes of 1940, which reduced the immediate threat to the company's capacity and caused a renewed wave of investment from the summer of 1940 onwards. The military victories ushered in the prospect of a Pan-European trading zone within the German-dominated 'New Order', and the company's managers were keen to ensure that they positioned themselves in such a way as to take advantage of this if it occurred. Even here, however, it is clear that the expansion of capacity embarked upon in 1940 was not undertaken without substantial misgivings on the part of the board, and it should certainly not be regarded as evidence that the company wished to pursue a policy of expansion in the context created by the war itself.

This uncertainty was reinforced by the fact that for the first two years of the war the company was operating on the assumption that a return to peace time conditions and to competition in a consumer market was imminent. In effect, the conflict between the short-term

potential of armaments production and the need to retain a core of consumer-orientated production lines which had characterised the immediate pre-war period remained the dominant issue until autumn 1941. With the failure of Operation Barbarossa, immediate considerations of post-war issues receded into the background for a while; however, they re-emerged in 1943, with the military reversals at Stalingrad and Kursk. The main point to emphasise when considering the company's actions in the war – and this holds true for both expansion of capacity at existing plants and the takeover of plants in the occupied territories – is that an expansion of the company's activities within the context of the war economy was not necessarily the product of a long-term expansionist agenda, and is to be understood in terms of the nature of the conflict between private producers within the context of the war economy itself. The decision to expand a plant or to take control of another factory was, as often as not, more the product of the need to defend positions against other companies and to prevent other companies from stepping in to fill the gap.²⁸ In a context in which demand was assured and the market was, in effect, limitless, competition was for raw materials, not for market share. Ensuring the supply of raw materials meant presenting oneself as the main producer in any particular sphere, hence the competition for control of capacity. Yet, within the context of the war economy, the fact that individual companies were competing for control of various areas of production and seeking to frustrate their competitors' interests does not mean they were pursuing an expansionist agenda going beyond the war itself.²⁹

To summarise, between 1936 and 1941 Daimler-Benz continued to expand production and profits against the background of continuous diplomatic and military successes. Yet, short-term profit notwithstanding, it was increasingly concerned about the long-term ramifications of this, and was acting increasingly with the motive of *defending* company interests within a context shaped by ideologically-driven policy which the company regarded with ambivalent unease. Undoubtedly, the continuously expanding profits sugared the pill and militated against any serious opposition to the regime emerging from the business sector.

Recognising the extent to which company behaviour was motivated by *defensive* pursuit or protection of its interests, in a

situation which it increasingly wished it was not in, provides the key to understanding the phase in which the complicity of the company in the criminality of the regime reached its high point: the period following the reversals of the winter of 1941–42 on the eastern front. From this time onwards, as German industrialists were fully aware, the war was likely to be lost and, soon after, Daimler-Benz in particular was planning actively for a resumption of peacetime production, albeit under conditions which made it impossible to predict precisely how the post-war scenario would look. It was precisely during this period that German industry, and Daimler-Benz also, embarked upon its brutal exploitation of prisoners of war, forced foreign workers, concentration camp inmates and Jewish slave labour in their tens of thousands, under the most appallingly inhumane conditions imaginable in some cases, thereby facilitating the establishment of the Nazi racial hierarchy within the workplace.

Prisoners of war and foreign workers, primarily from western Europe, had been put to work in Daimler-Benz's factories in relatively small numbers from as early as 1940.³⁰ As the supply of additional German female labour dried up, the recruitment of foreign workers had become the central element of Daimler-Benz's attempts to procure additional labour by 1941, and the process of organising their deployment and their integration had become correspondingly 'normalised'. The processes by which these workers came to Daimler-Benz are often difficult to trace; the relationship between the company and the labour authorities is difficult to reconstruct. While companies were required formally to request supplies of foreign labourers through official channels, in practice, even after the regulation of the recruitment of foreign workers, companies such as Daimler-Benz were able to continue operating simultaneously both informal and formal channels to recruit labour.³¹ The processes by which foreign workers came to Daimler-Benz are illustrative of how, despite the existence of formal structures and procedures which ostensibly had to be utilised, in practice policy evolved and interests were pursued through a combination of personal and institutional contacts between business and the regime, operating on various levels and with various degrees of formality. The definition of the institutional relationship between industry and the authorities became blurred above all where industrial managers operated in an

official or semi-official capacity within the structures created to manage the war economy. Their function as co-opted bureaucrats facilitated their collusion in the criminality of the regime; the successive fusion of private and public functions simultaneously made the boundaries between business and politics more fluid and gives the lie to any attempt to construct a model of the relationship between the two conceived in instrumentalist terms.

One should not underestimate the real hardship of western European workers in the German war economy; for them, terror was an important and very real part of the equation.³² None the less, the majority of them were relatively skilled, which afforded them a degree of respect and protection, and their relatively privileged place within the Nazi racial hierarchy meant that the conditions under which they worked were difficult but not punitive. The real break – and it was a radical rupture – came with the massive influx of Soviet forced workers into Daimler-Benz's factories in 1942: in this year, the work force of Daimler-Benz was, almost literally, remade. Month on month, up to 1,000 Russian forced workers arrived at Daimler-Benz's factories, and it is clear that, even after the conditions under which these workers were to be kept and put to work became obvious, the company board was a willing recipient. Made to work under conditions defined by the infamous 'Eastern worker decrees', the suffering of these workers was immense.³³ Initially, they were put to work for 60 to 80 hours per week, with no proper rest period, and fed on starvation rations which condemned them to malnutrition, physical decline and disease, problems exacerbated intensely by the absolute lack of sanitary facilities, proper clothing and so on.³⁴ As the appalling conditions under which they lived manifested themselves in declining work-rates, marginal improvements to their conditions were granted. However, while one should not understate the significance of these improvements, meaning as they could the difference, literally, between life and death for these labourers, the conditions under which the Soviet workers lived remained dreadful; where the company did attempt to improve the living and working conditions of these workers, it was only to ensure the minimum standard of provision and hygiene to prevent illness and disease from becoming rife.

The growing shortage of labour in the German war economy had also led to a shift in the function of the SS-run concentration camps,

and from 1942 onwards, they were used as sources of additional labour for direct and indirect deployment in armaments production. In 1943, and above all in 1944, concentration camp inmates were put to work on the production lines of at least some of Daimler-Benz's factories. Most notably, in September 1944, more than 1,000 inmates from Dachau were put to work in lorry production at the company's Mannheim plant, and more than 1,000 women from Ravensbrück concentration camp were forced to work on the company's aero-engine production lines at Genshagen near Berlin.³⁵ The conditions under which these inmates lived and worked were also indescribably bad, their existence consisting of arbitrary brutality on the shop-floor and constant SS terror; of malnutrition, cold and illness; and of long hours of hard physical labour which were the cause of exhaustion and long-term damage to health. Many did not survive.

Why, or how, did conventional industrialists, many of whom were by no means Nazi supporters – indeed, the chairman of the company from June 1942 onwards, Wilhelm Haspel, was himself harassed by the Gestapo on account of his having a half-Jewish wife – allow themselves to participate in all of this?

The causes, motives and explanations are complex. On the one hand, the context in which it became possible emerged over a period of time; on the other hand, much of what occurred can only be explained – as far as the industrialists themselves are concerned, at least – by thinking about the pressures facing men who operated within the horizons created by the particular situation of the second half of the war. The mental universe of the German managerial classes in the first half of the twentieth century demands as much consideration as imperatives implicit in the nature of managerial capitalism *per se*.³⁶ Their socialisation in the Wilhelmine era undoubtedly predisposed them to collaboration with authoritarian rather than pluralist modes of rule and facilitated their collusion in the implementation of barbaric practices; the inheritance of an authoritarian political culture was reinforced by a specific tradition of paternalism in German company culture. Moreover, the fact that the process of barbarisation was a creeping rather than overnight phenomenon facilitated the transition to the situation as it stood in 1944: the terrorisation of German workers from 1933 onwards paved the way for the harsh treatment of western European workers;

the even harsher treatment of Soviet workers from the winter of 1941–42 onwards, and the normalisation of a culture of brutality which two years of deploying the Soviet workers under appalling conditions engendered, in turn facilitated the easy transition to the deployment of concentration camp inmates under still worse conditions. At no point was the conventional industrialist confronted with a clear option of shifting from essentially decent to unspeakably inhumane behaviour. The descent into barbarism was an ongoing process.

None the less, underpinning the need to think of the company as an historical actor, rather than about individual managers, there were rational choices being made all the way down the line, rational choices defined by the unspoken assumption that what mattered above all was the survival of the company. Certainly, there was a clearly visible capitalist rationale behind the behaviour of the company towards its workers, forced and concentration camp workers included, in the second half of the war. In one sense, of course, the reverses of the winter of 1941–42 strengthened the community of interest between business and the regime, insofar as industry had no interest in Germany losing the war, and in the sense that it was in industry's interests to co-operate in the mass rationalisation programme of Albert Speer and in the implementation of measures to increase armaments output radically, as indeed it did. This, however, was very much a negative community of interest, and, as it became clear that Germany was going to lose the war, industry started to distance itself from the regime and consider the transition to the post-war period.³⁷ Quite when this happened is unclear. Obviously it was a gradual process, but it seems that the Daimler-Benz board was sceptical about the prospects for victory in the summer of 1942, and by mid-1943 it was actively planning for the post-war period.³⁸

Recognition that the war was lost had important repercussions for the key issue of investment strategy – companies clearly had little interest in investing in huge military production lines if they were going to be of little use in anything other than the short term. The reorientation towards peacetime was indeed marked by a clear decline in investment as companies opted for a strategy of keeping their assets liquid to finance post-war conversion and the clearing of

bomb damage.³⁹ This is where the company's rational interest in intensifying the exploitation of forced labour is apparent. In one sense, of course, the company had no option to do otherwise, but in another, the existence of a helpless, unprotected, terrorised labour force offered the company the perfect opportunity to compensate for its unwillingness to invest by radically intensifying the work rate on the shop floor. In the summer of 1944, as a virtual internal bar came into force on new orders for machinery, Haspel demanded 'that the last ounce be squeezed out of people'.⁴⁰ The second half of the war, and especially the period from 1943 onwards, witnessed an increasing tendency to substitute labour for capital, allowing the company to increase output while not damaging its prospects for the post-war period. It was not ideological commitment, but the autonomous pursuit of company interest which actively intensified the suffering of forced labour in the second half of the war.

As the war drew to its end, and as bombing began seriously to disrupt production, survival, rather than short-term profitability, became more and more the key issue. In a situation where the cessation of production could lead, both figuratively and literally, to the dissolution of a factory, as machinery, labour and materials were being conscripted here, there and everywhere in a desperate attempt to stave off defeat, keeping production going *in some form* was in itself essential to survival; increasingly, and especially in the case of the large-scale deployment of concentration camp labour from late 1944 onwards, what mattered was not maintaining a rational, in itself profitable production process, so much as maintaining *the illusion* of production; if one did not keep producing in some form until the end of the war, under the chaotic circumstances prevailing, one might not survive. The assertion that this labour was in itself not directly profitable in a short-term, direct 'profit-and-loss' sense does nothing to relativise the suffering of the victims or mitigate the responsibility of the company; it does not in any way undermine the point that the company was able to save its skin for the post-war period largely at the expense of the health and often the lives of thousands of victims of forced labour. The direct link between self-rescue and barbaric physical exploitation was even stronger, of course, in the use of slave labour to dig out about a dozen underground sites to which Daimler-Benz's most important

machinery was dispersed in the last eight months or so of the war. As a result not least of the dispersal programme, Daimler-Benz survived the war with its inventory largely intact.⁴¹

In conclusion, although many managers as individuals undoubtedly shared, on some level, the National Socialist vision of a German-dominated Europe in which Daimler-Benz would play its part, and although this company seems to have been particularly bad in allowing a climate and culture of racism to permeate the activities of the company at shop-floor level, it did not take ideological self-identification with the regime to become complicit in barbaric practices or acts. Daimler-Benz's concern was that of pragmatic defence of self-interest in a situation whose development it was itself largely incapable of influencing, and which was not necessarily compatible with its own long-term or even mid-term interests. This pragmatism was not only perfectly compatible with the racial barbarism of the National Socialist regime; in an extreme situation, pragmatic defence of company self-interest actually encouraged, indeed demanded this descent into barbarism. The extreme erosion of moral norms that characterised the development of the 'Third Reich' was such that the appalling suffering of the victims was not, apparently, discussed once. The narrowness of the technocratic manager's field of vision was such that the only thing that seemed to matter was the interest of the company. Self-identification with the company apparently took precedence over any self-identification with the real suffering of human victims. In an extreme situation, managerial capitalism revealed itself for what it essentially is – utterly indifferent to human beings.

NOTES

1. The best recent study of the Weimar Republic, which places due emphasis on the role of the conservative elite and big business in the undermining of the Republic is Hans Mommsen, *The Rise and Fall of Weimar Democracy* (Chapel Hill: University of North Carolina Press, 1996); see also Edgar Feuchtwanger, *From Weimar to Hitler* (Basingstoke: Macmillan, 1993).
2. In addition to the work of Mommsen, see B. Weisbrod, *Schwerindustrie in der Weimarer Republik. Interessenpolitik zwischen Stabilisierung und Krise* (Wuppertal: Peter Hammer, 1978); R. Neebe, *Grossindustrie, Staat und NSDAP 1930-1933. Paul Silverberg und der Reichsverband der Deutschen Industrie in der Krise der Weimarer Republik* (Göttingen: Vandenhoeck und Ruprecht, 1981); H.A. Turner, *German Big Business and the Rise of Hitler* (Oxford: OUP, 1985).

3. On the development of labour legislation during the Depression and the Nazi era see Timothy Mason, 'The Origins of the Law on the Organisation of National Labour of 20 January 1934. An Investigation into the Relationship Between Archaic and Modern Elements in Recent German History' in (ed.), *Nazism, Fascism and the Working Class. Essays by Tim Mason* (Cambridge: CUP, 1995); Andreas Kranig, *Lockung und Zwang. Zur Arbeitsverfassung im Dritten Reich* (Stuttgart: Oldenbourg, 1983); on the development of managerial practice in the Nazi era see, Carola Sachse et al., *Angst, Belohnung, Zucht und Ordnung. Herrschaftsmechanismen im Dritten Reich* (Opladen: Westdeutscher Verlag, 1982); Tilla Siegel, *Leistung und Lohn in der Nationalsozialistischen Ordnung der Arbeit* (Opladen: Westdeutscher Verlag, 1989); on the relationship between employers and labour during the Depression see also, Wolfgang Zollitsch, *Arbeiterschaft zwischen Weltwirtschaftskrise und Nationalsozialismus* (Göttingen: Vandenhoeck und Ruprecht, 1990); Heidrun Homburg, *Rationalisierung und Industriearbeit. Das Beispiel des Siemens-Konzerns Berlin 1900-1939* (Berlin: Haude und Spener, 1991).
4. Richard Overy, *War and Economy in the Third Reich* (Oxford: OUP, 1994); for case studies of individual companies see: Peter Hayes, *Industry and Ideology. IG Farben in the Nazi Era* (Cambridge: CUP, 1986); Gregor Mollin, *Montankonzern und Drittes Reich: Der Gegensatz zwischen Monopolindustrie und Befehlswirtschaft in der Deutschen Rüstung und Expansion 1936-1944* (Göttingen: Vandenhoeck und Ruprecht, 1988); Neil Gregor, *Daimler-Benz in the Third Reich* (New Haven: Yale, 1998).
5. The literature on the subject of forced labour, one which was very much neglected until the mid 1980s, is now substantial. The standard overview is Ulrich Herbert, *Fremdarbeit: Politik und Praxis des 'Ausländer-Einsatzes' in der Kriegswirtschaft des Dritten Reiches* (Bonn: JHW Dietz Nachf., 1985); see in addition Ulrich Herbert (ed.), *Europa und der 'Reichseinsatz': Ausländische Zivilarbeiter, Kriegsgefangene und KZ-Häftlinge in Deutschland 1938-1945* (Essen: Klartext, 1991). Of the numerous regional and local case studies now available see, Anton Grossman, 'Fremd- und Zwangsarbeiter in Bayern 1939-1945' *Vierteljahresshefte für Zeitgeschichte*, Vol.34 (1986), pp.481-521; Manfred Grieger, *Die Vergessenen Opfer der Bochumer 'Heimatsfront'. Ausländische Zwangsarbeiter, Kriegsgefangene und KZ-Häftlinge in der heimischen Rüstungswirtschaft 1939-1945* (Bochum, 1991); Matthias Storr, *Zwangsarbeit. Ausländereinsatz in Göppingen 1939-1945* (Göppingen: Veröffentlichungen des Stadtarchivs Göppingen Vol.30, 1993); Roland Peter, *Rüstungspolitik in Baden. Kriegswirtschaft und Arbeitseinsatz in einer Grenzregion im Zweiten Weltkrieg* (Munich: Oldenbourg, 1995); Astrid Gehrig, *Nationalsozialistische Rüstungspolitik und unternehmerischer Entscheidungsspielraum: Vergleichende Fallstudien zur Württembergischen Maschinebauindustrie* (Munich: Oldenbourg, 1996); a summary of the state of research in the early 1990s is provided by Hans-Ulrich Ludewig, 'Zwangsarbeit im Zweiten Weltkrieg: Forschungsstand und Ergebnisse regionaler und lokaler Fallstudien', *Archiv für Sozialgeschichte* Vol.31 (1991), pp.558-77; for studies of individual companies see Tilla Siegel and Thomas von Freyberg, *Industrielle Rationalisierung unter dem Nationalsozialismus* (Frankfurt/M.: Campus, 1991); Ernst Kaiser and Michael Knorn, *Wir Lebten und Schliefen zwischen den Toten: Rüstungsproduktion, Zwangsarbeit und Vernichtung in den Frankfurter Adlerwerken* (Frankfurt/M., 1994); Hans Mommsen and Manfred Grieger, *Das Volkswagenwerk und seine Arbeiter im Dritten Reich* (Düsseldorf: ECON-Verlag, 1996); Barbara Hopmann et al, *Zwangsarbeit bei Daimler-Benz* (Stuttgart: Franz Steiner, 1994); Neil Gregor, *Daimler-Benz*, op.cit.
6. See, in addition to the works cited above, *Dachauer Hefte 2: Sklavenarbeit im KZ* (Dachau: Verlag Dachauer Hefte, 1986); Hamburger Stiftung zur Förderung von

- Wissenschaft und Kultur (ed.), *Deutsche Wirtschaft. Zwangsarbeit von KZ-Häftlingen für Industrie und Behörden* (Hamburg: VSA-Verlag, 1991); Torsten Hess and Thomas Seidel (eds.), *Vernichtung durch Fortschritt am Beispiel der Rakettenproduktion im Konzentrationslager Mittelbau* (Berlin: Westkreuz Verlag, 1995); Hermann Kaienburg (ed.), *Konzentrationslager und Deutsche Wirtschaft 1939–1945* (Opladen: Leske und Budrich, 1996).
7. For a case study of such an underground dispersal project, see Bertrand Perz, *Projekt Quarz. Steyr-Daimler-Puch und das Konzentrationslager Melk* (Vienna: Verlag für Gesellschaftskritik, 1991).
 8. For an excellent discussion of business attempts to shape the memory of its own past, see Jonathan Wiesen, 'Overcoming Nazism: Big Business, Public Relations and the Politics of Memory, 1945–1950', *Central European History*, Vol.29, No.2 (1997), pp.201–26.
 9. Anita Kugler, 'Die Behandlung des feindlichen Vermögens in Deutschland und die Selbstverantwortung der Rüstungsindustrie. Dargestellt am Beispiel der Adam Opel AG von 1941 bis Anfang 1943', 1999. *Zeitschrift für Sozialgeschichte des 20 und 21 Jahrhunderts* (1988).
 10. On the 'aryanisation' process and the role of non-Jewish businesses in the process, see Gerhard Kratzsch, *Der Gauwirtschaftsapparat der NSDAP. Menschenführung 'Arisierung', Wehrwirtschaft im Gau Westfalen-Süd* (Münster: Aschendorffsche Verlag, 1989); Avraham Barkai, 'Die Deutschen Unternehmer und die Judenpolitik im Dritten Reich' *Geschichte und Gesellschaft*, Vol.15 (1989), pp.227–47.
 11. The key starting point for any discussion of these problems remains Timothy Mason's seminal article of 1966 on the 'primacy of politics', recently reprinted as 'The Primacy of Politics. Politics and Economics in National Socialist Germany', in Mason, *Nazism, Fascism and the Working Class*, op. cit., pp.53–76.
 12. For studies of the history of Daimler-Benz AG before and during the Nazi era, see Hans Pohl et al., *Die Daimler-Benz AG in den Jahren 1933 bis 1945* (Stuttgart: Franz Steiner, 1987); Hamburger Stiftung für Sozialgeschichte (HSG) (ed.), *Das Daimler-Benz Buch. Ein Rüstungskonzern im 'Tausendjährigen Reich'* (Nördlingen: Franz Greno, 1987); Bernard Bellon, *Mercedes in Peace and War. German Automobile Workers 1903–1945* (New York: Columbia University Press, 1990); Michael Stahlmann, *Die Erste Revolution in der Automobilindustrie. Management und Arbeitspolitik von 1900–1940* (Frankfurt/M.: Campus, 1993); Neil Gregor, *Daimler-Benz*, op. cit., The following is based on the findings of the latter book.
 13. For figures on turnover, investment and profits from 1926–45 see HSG (ed.), *Das Daimler-Benz Buch*, op.cit., pp.333–6.
 14. On the role of transport policy and the automobile industry in the economic recovery see Richard Overly, 'Cars, Roads and Economic Recovery in Germany 1932–1938' *Economic History Review*, 2nd Series, Vol.28 (1975), pp.466–83; Heidrun Edelmann, *Vom Luxusgut zum Gebrauchsgegenstand. Die Geschichte der Verbreitung von Personenkraftwagen in Deutschland* (Frankfurt/M.: Verband der Automobilindustrie e.V, 1989); see also D.P. Silverman, 'Fantasy and Reality in Nazi Work Creation Programmes 1933–1936', *Journal of Modern History*, Vol.65, No.1 (1993), pp.113–51.
 15. For details, see Gregor, *Daimler-Benz*, op. cit., pp.36–9.
 16. See the collection of material in MBAG Kissel/Public Contracts and Military Contracts 1928–1935, which details the company's involvement in the development of armoured cars, lorries and other vehicles; in addition, see minutes of the visit of *Ministerialrat* Laudahn, 24 Nov. 1926 (MBAG Kissel 1/2) and letter of DBAG Untertürkheim to Stauss, 2 July 1931 (BA[P] 80 Ba2 P3185) for details of the company's development of naval and aero-engine prototypes.

17. Minutes of the Board Meeting of DBAG, 25 April 1933 (MBAG/Kissel 1/7).
18. See the correspondence between Wilhelm Kissel and supervisory board member Paul Rohde, Sept. 1933 (MBAG Kissel XIII/15, Daimler-Benz and the Jews).
19. For further details, see Gregor, *Daimler-Benz*, op. cit., pp.140–49.
20. Haspel to Nordhoff (draft), 5. Feb. 1947 (MBAG Haspel/Volkswagen).
21. For the development of plans for Daimler-Benz's Genshagen subsidiary, see the collection of material in MBAG Kissel/Correspondence with the Reich Air Ministry 1933–38; further, the material in MBAG/Forstmeier.
22. HSG (ed.), *Das Daimler-Benz Buch*, op.cit., p.333.
23. Annual Report of Daimler-Benz AG, 1936.
24. See, for example, the comments by Richard Overy in 'Primacy always belongs to Politics: Gustav Krupp and the Third Reich', op.cit., *War and Economy in the Third Reich*, pp.119–43, here esp. pp.135–38; significantly, Peter Hayes refers to the years 1936–39 as the 'nervous years' for IG Farben – and this in connection with a company traditionally seen as the one which gained most by the Four Year Plan: Hayes, *Industry and Ideology*.
25. 1 On the type reduction programme see Peter Kirchberg, 'Typisierung in der Deutschen Kraftfahrzeugindustrie und der Generalbevollmächtigte für das Kraftfahrwesen', *Jahrbuch für Wirtschaftsgeschichte*, Vol.10 (1969), pp.117–42; for a discussion of its impact on Daimler-Benz see Gregor, *Daimler-Benz*, op.cit., pp.46–56.
26. Thus, the Charlottenburg Military Contracts Department spoke in February 1936 of the 'expected coming reduction in military contracts': letter of DBAG Charlottenburg to Kissel, 3. Feb. 1936 (MBAG Kissel/Correspondence Economic Group Aircraft Industry); in a board meeting of May 1937 board member Karl Müller argued that even the officials of the Reich Air Ministry recognised that 'rearmament cannot be continued at the same pace as hitherto, otherwise the whole economy could be damaged': minutes of the board meeting of DBAG, 26/27 May 1937, MBAG Kissel I/10; as late as January 1939 Müller argued that 'in the long run it cannot be expected that the public contracts will continue at their current high level': minutes of the Board Meeting of DBAG, 12 Jan. 1939 (MBAG Kissel I/12).
27. For a detailed discussion of the company's response, see Gregor, *Daimler-Benz*, op.cit., pp.76–84.
28. See, for example, minutes of the board meeting of DBAG, 25/26 March 1941 (MBAG Kissel I/15); for examples of how decisions to take over trusteeships were influenced by fears that the Junkers company would take over the plants in question otherwise see minutes of the board meeting of DBAG, 4/5 Nov. 1942 (MBAG Kissel I/14).
29. Thus, for example, the plant in Neupaka (Czechoslovakia) which Daimler-Benz took over during the war was described variously as 'an alternative war plant' and a plant 'whose task will be completed with the end of the war': credit minutes of the Bank der Deutschen Luftfahrt, 8 July 1944; Memorandum on the visit to Daimler-Benz, Stuttgart, 5 May 1944 (BA[P] Ba6 7446/3).
30. Hopmann *et al.*, *Zwangsarbeit bei Daimler-Benz*, op. cit., p.98.
31. Thus, for example, Carl Schippert, a member of the company's supervisory board, used his position as commissar for the Renault and Unic factories to gain privileged access for Daimler-Benz to supplies of French skilled labour: see the correspondence between Kissel and Carl Schippert (MBAG Kissel XIII/14).
32. At the company's Sindelfingen plant, for example, in December 1943, 22 out of a total of 1,169 West European workers were under some form of arrest, the majority undoubtedly in labour education camps or concentration camps: Housing Situation of West European Workers as of 13 Dec. 1943, MBAG Huppenbauer 406.
33. On the eastern worker decrees, see Herbert, *Fremdarbeiter*, op. cit., pp.154–7.

34. See, for example, letter of DBAG to Food Office, 30 June 1942: Hauptstaatsarchiv Stuttgart, E397/65, which gives an insight into conditions for the Russian workers at the company's Untertürkheim plant.
35. Hopmann *et al.*, *Zwangsarbeit*, op.cit., pp.345–442.
36. For thoughtful comments on the mental universe of German industrial managers see Gehrig, *Nationalsozialistische Rüstungspolitik*, op.cit., pp.147–95.
37. On the post-war planning of German industry see Ludolf Herbst, *Der Totale Krieg und die Ordnung der Wirtschaft. Die Kriegswirtschaft im Spannungsfeld von Politik, Ideologie und Propaganda 1939–1945* (Stuttgart: Deutsche Verlags-Anstalt, 1982), pp.348–453, esp. pp.383–7; Wolfgang Schumann, 'Nachkriegsplanung der Reichsgruppe Industrie in Herbst 1944' *Jahrbuch für Wirtschaftsgeschichte* (1972), pp.259–95; Wolfgang Schumann, 'Die wirtschaftspolitische Überlebensstrategie des Deutschen Imperialismus in der Endphase des Zweiten Weltkrieges' *Zeitschrift für Geschichtswissenschaft*, Vol.27 (1979), pp.499–513.
38. Significantly, the company began to orientate its investment strategy towards peacetime in Jan. 1943, as board chairman Haspel began to consider the financing of post-war re-tooling for car production: letter of Haspel to Rummel, 29 Jan. 1943, (BA [P] 80 Ba2 P3244); in Feb. 1943, moreover, the company set up a 'working party on lorry production' with a view to rationalising production in the area which would provide the company with its main activities after the war: see the collection of material in MBAG Haspel / 'Arbeitskreis Lastwagen'.
39. Herbst, *Der Totale Krieg*, op. cit., p.406.
40. Minutes of the meeting of the Working Group on Lorry Production, 31 May 1944 (MBAG Haspel / 'Working Group on Lorry Production').
41. For a detailed survey of the company's dispersal programme and an evaluation of its success, see Gregor, *Daimler-Benz*, op. cit., pp.218–46.