

HITLER'S DOMESTIC POLICY

1933-1939

The Backdrop to Hitler

- Rising unemployment, falling market demand and production,
- Demand for raising wages, labour militancy, street violence between communists and Nazis
- Coalition culture of Weimar → Staatsstreich in 1930
- 3 governments in 2 years after the Depression
- Brüning, von Papen, Schleicher tried to resolve economic crisis, negotiating exit clauses from reparations
- 1931 Moratorium gives breathing space, but political crisis not resolved since the largest no functioning coalition was in the horizon
- Need was for balanced budget, thus neither SPD nor KPD were considered
- Despite being an upstart, Hitler was considered because of his willingness to fight the Communists on the streets, proven by Goering's record as Prussia's Interior Ministry

The Challenges before Hitler

- Resolving the Reparations Issue
- Staging economic recovery
- Restore law and order on the streets
- Stabilise German political landscape



The Question of Reparations

- Brüning government had negotiated a freeze on reparations payment, Hitler simply refused to resume payments
- Allies understood this to be posturing till such time as Berlin was able to resume; warned Hitler that this would foreclose options of future loans from the international market
- Without access to foreign capital, Hitler's government continued Brüning's policy of creating a Central European bloc, based on commodity exchange minus forex

Staging Economic Recovery

- Fact: German economy staged a remarkable recovery after Hitler came to power
- Germany adopted Keynesian strategy of generating market demand by means of public works
- Myth : Hitler was the brains behind the recovery
- Fact: Construction of Autobahn network initiated during the Schleicher era
- Hitler's Keynesian economic policies were basically the work of Hjalmar Schacht (DDP leader, upon advice of Papen), President of Reichsbank (1933), Minister of Economics (1934)
- Schacht kept interest rate low and increased government deficit to register fastest decline in unemployment
- June 1933, Reinhardt Programme → infrastructure – roadways, waterways, highways (employment in construction industry rose from over half a million (1933) to over two million (1936))
- Tax breaks, stimulated automobile industry, and thus transportation







Generalissimo and staff in the
trench during the September 1944

Economic Recovery: alternative paths

- By 1936, infrastructural development saturated
- Schacht, Walther Funk (Minister of Economics) and Price Commissioner Karl Friedrich Goerdeler advocated **free trade**, moderate state intervention, with support from industry tycoons
- Nazi politicians advocated autarkic policies, heavy state involvement and regulation, continuation of Keynesian strategy by accelerating rearmament
- August 1936: “Four-Year Plan”, Goering entrusted with preparing Germany for war in four years
- Rearmament: Mechanisation of army, tanks, aircraft → stimulation of heavy industry, but no major forward linkage in absence of consumer demand
- Schacht replaced by Goering as the chief strategist of economic planning
- Economics subordinated to politics, industrialists given short shrift, market principles ignored in favour of state interventionism
- Between 1933 to '39, revenue earned 62 billion RM, expenditure 101 billion RM, national debt of 38 billion in 1939 -- unsustainable

Restoring Law and Order

- Code for “bash the commies”
- Strikes outlawed, communist conspiracies “unearthed”
- Crackdown on communist leadership, rallies disrupted
- Reichstag set on fire, blamed on communists → crackdown
- Storm-troopers did most of the street-fighting, but by 1934 increasingly lawless
- Their leader, Ernst Röhm, demanded parity for SA with Wehrmacht, → Night of the Long Knives

Law and Order

- Nazis continued with vigilante policing
- SA supplemented with Sicherheit Dienst (SD), Schutzstaffel (SS) and the dreaded Gestapo – to centralise law and order machinery, which till then was the preserve of the Länder
- Labour camps instituted to stifle political dissent (Treblinka, Dachau, Spandau, etc), prime targets – socialists and communists to start with
- Repression was essentially carried out along lines of “rule by law”

Political Landscape – Gleichschaltung

- One day after the Reichstag fire on February 27, 1933, Hindenburg, acting at Hitler's request issued the Reichstag Fire Decree.
- KDP banned.
- Suspended most rights provided for by the constitution and thus allowed for the arrest of political adversaries, mostly Communists, and for general terrorizing by the SA, the Nazi paramilitary force, of other voters before the upcoming election.
- Fresh elections yielded only a slim majority for Hitler's coalition government and no majority Nazis.
- When the newly elected *Reichstag* first convened on March 23, 1933, it passed the Enabling Act (*Ermächtigungsgesetz*), transferring all legislative powers to the Nazi government and, in effect, abolishing the remainder of the Weimar constitution as a whole.
- Soon afterwards the government banned the Social Democratic Party, which had voted against the Act, while the other parties were intimidated into dissolving themselves rather than face arrests and concentration camp imprisonment.

Gleichschaltung - ii

- The "First *Gleichschaltung* Law" (March 31, 1933) dissolved the diets of all *Länder* except Prussia and ordered them reconstituted on the basis of the votes in the last Reichstag election (with the exception of Communist seats). It also gave the state governments the same powers the Reich government possessed under the Enabling Act.
- A "Second *Gleichschaltung* Law" (April 7, 1933) deployed one *Reichsstatthalter* (Reich Governor) in each state, apart from Prussia. These officers, responsible to Interior Minister Wilhelm Frick, were supposed to act as local proconsuls in each state, with near-complete control over the state governments. For Prussia, which constituted the bulk of Germany in any event, Hitler reserved these rights for himself and delegated them to Prussian minister-president Hermann Göring
- The trade union association ADGB (*Allgemeiner Deutscher Gewerkschaftsbund*) was shattered on May 2, 1933 (the day after Labour Day), when SA and NSBO units occupied union facilities and ADGB leaders were imprisoned. Other important associations including trade unions were forced to merge with the German Labour Front (*Deutsche Arbeitsfront* — DAF), to which all workers had to belong.
- "Law against the establishment of political parties," (July 14, 1933) declared the Nazi Party to be the country's only legal party. However, for all intents and purposes, Germany had been a one-party state since the passage of the Enabling Act.

Gleichschaltung- iii

- January 30, 1934) abandoned the concept of a federal republic. Instead, the political institutions of the *Länder* were practically abolished altogether, passing all powers to the central government.
- The Law Concerning the Highest State Office of the Reich (August 1, 1934) prescribed that upon the death of the incumbent president, that office would be merged with the office of the chancellor, and that the competencies of the former should be transferred to the "*Führer und Reichskanzler Adolf Hitler*", as the law stated.
- This law abolished the last remedy by which Hitler could be legally dismissed—and with it, the last remaining checks on his power.

Economy of War

- German economy began to slow down by mid-1930s
- Economic advisers proposed opening up of the economy to international markets
- Nazi political leadership as much as its social constituency was deeply suspicious of market forces
- Preferred state regulation, and gradually resorted to a corporate state ideology
- Opted in favour of stimulation of demand for heavy industrial goods by the state
- By 1936, German economy began to be geared towards heightening defence preparedness
- Fitted in neatly with Hitler's policy of brinkmanship in external affairs, in order to score brownie points in domestic politics

Hitler and the Game of Brinkmanship



- Revitalised German people by renouncing Versailles
- 1933 – at Disarmament Conference demanded parity, then walked out
- Walked out of League of Nations
- 1934 -- military provisions of VT “dead”

Hitler – Brinkmanship -- II

- Punctured French Collective Security with non-aggression pact with Poland – 1934
- Remilitarisation of Rhineland (1935)
- Treaty with Britain over naval armaments (revising VT) – 1935
- 1935-36 – Rise of the Luftwaffe, mechanisation of German military
- Treaty with Vienna (1936), pushing Austria into closer economic relation with Berlin
- 1937- treaty with Rome, weakens Locarno



Brinkmanship - iii

- Rome neutralised, Berlin pushed for Anschluss 1938



Brinkmanship - iv



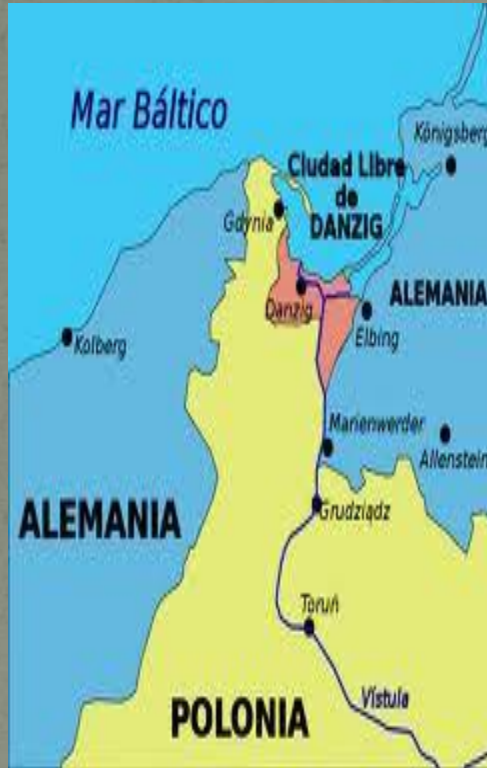
- Czechs granted German populations all reasonable demands (greater representation, economic ties with Germany),
- But, denied autonomy and refused to align foreign policy with Berlin
- Willing to fight given assistance – let down by Munich
- Sudetenland to Germany, Teschen to Poland

Brinkmanship - v

- Munich was blunder since faith in London Paris plummeted
- Hungary, Romania, Bulgaria and Yugoslavia veered towards Berlin
- March 1939, Slovakia broke away, became German protectorate
- Berlin claimed since state ceased to exist, treaty invalid; annexed rump



Immediate Cause : Danzig



Danzig

- Hitler demanded Danzig
- After Munich public opinion turned in London n Paris
- Chamberlain guaranteed Poland's integrity, Daladier followed suit
- Meant to increase leverage with Warsaw, so that Danzig corridor could be made over,
- emboldened Warsaw, rejected Berlin's demand

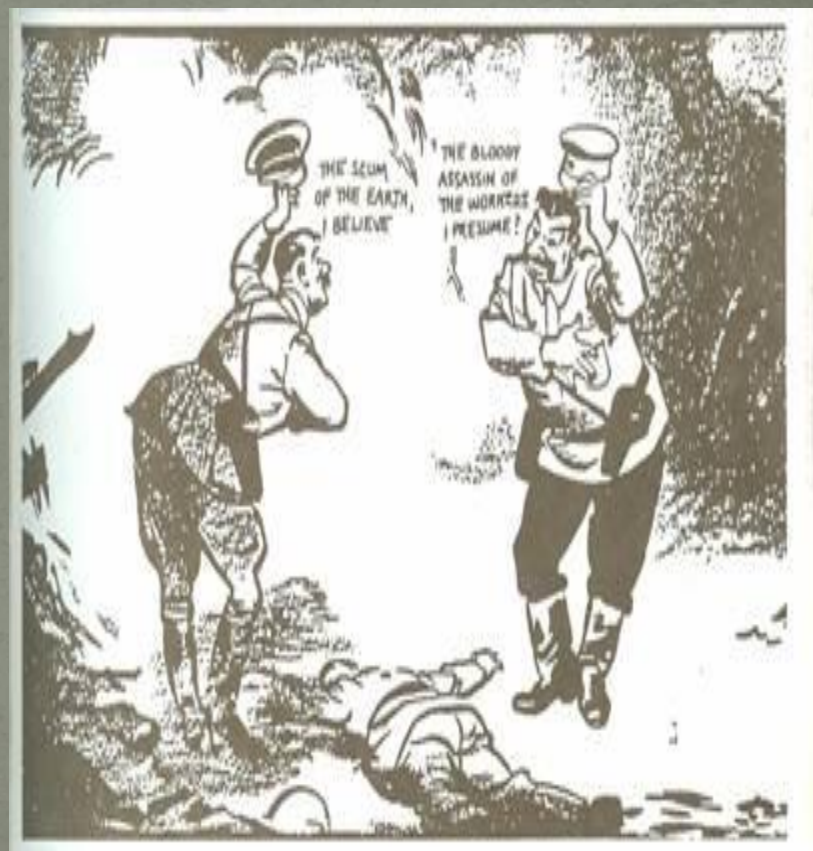
Poland and Sham War

- Britain and France sought alliance with Moscow;
- Hitler sent Ribbentrop to quickly close the deal
- 10 years non-aggression pact (24th August, 1939),
- Freed Germany from fear of two-front war
- Freed USSR to deal with Japan on the East
- Gave both Hitler and Stalin time to prepare

POLAND INVADIED AND PARTITIONED SEPTEMBER 1939



Brinkmanship - viii



Did Hitler Plan a War?



Plan - II

H. Trevor-Roper

- In *Mein Kampf*, believed to have laid out a blue-print for a foreign policy for Germany
- Denounced VT as a crime, and Weimar Coalition as 'November Criminals'
- Spoke of *Lebensraum* where the *Herrenvolk* would spread and flourish in the *Lebensraum*, at the expense of the *Untermenschen*
- *MK* anticipated all that AH did: Rhineland, Anschluss, Sudetenland, Danzig, Poland
- Embarked on rearmament for this very reason; geared German economy towards war

A J P Taylor

- "an evil man in a world full of evil men"
- Had no plan; supreme opportunist, seized all opportunities that he could provided by NC and Daladier
- Was prepared to withdraw at every stage, would have retreated if London Paris contested his brinkmanship
- Rearmament was to return to defence preparedness rather than disarmed status
- Hitler was less inhibited by prospect of war if it could be limited

Plan - III

A Milward

- German economy was geared to war-making, but only on ad hoc basis
- Initial arms buildup (navy, airforce, mechanisation) had economic significance in depression-hit economy
- No plan, since emphases shifted from war to war (tanks before Poland and France, vessels before Scandinavia, air-force before Britain)

Allan Bullock

- No fixed plan, opportunist, but
- Given opportunities, realised blue-print
- Every violation of VT emboldened Hitler to try the next clause
- Appeasement responsible for escalation of small scale revisionism to general war

Plan - iv

Andreas Hillgruber

- Stufenplan (stage-by-stage plan)
 - German lands, then Poland (war with France n allies), finally Russia
- Richard Overy
- Expansionism was conducive to Germany's requirements
- Appeasement was pragmatic, not cowardly

Ian Kershaw

- War not planned
- Driven by requirements of German economic engine
- Prodded on by need to deflect attention from domestic discontent, stagnation of German industry and disaffection against Nazis



David Low's accurate depiction of the results of appeasement: Using the "spineless leaders of democracy" as stepping stones, a nose-thumbing Hitler marches towards his ultimate goal. [Source: *Lachen*, p. 280.]