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The Sense of a Vacuum: A response ¹

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It is a pleasure to be asked to respond to three distinct and challenging readings of *Wages of Destruction*. For Paul B. Jaskot the book provides a spring board to consider the place of cultural history in a totalizing history of the Nazi regime. Karl Heinz Roth appreciates the “golden thread” that runs through the narrative, but regards *Wages* critically as a frustratingly incomplete synthesis of recent writing about Nazi Germany. Dylan Riley is far less persuaded by the “golden thread” and offers a searching examination of the book’s inner logic. Whether critical or not, these are the kind of responses of which any author must be appreciative. Clearly I have some explaining to do. I am deeply grateful to Jaskot, Riley and Roth as well as the editors of *Historical Materialism* and Alex Anievas in particular for giving me the opportunity to do so.

I

Though Riley and Roth approach *Wages* from very different angles, on one thing they can agree. Though this is a piece of history with a materialist flavor it has little to do with historical materialism in a Marxist sense. Searching for a plausible context of interpretation Riley suggests that *Wages* might have been shaped by the controversy which flared around Goetz Aly’s *Hitlers Beneficiaries* in 2005.² In fact the manuscript was substantially finished at the time of that fracas. What then was the intellectual context from which *Wages* emerged? The first obvious point of reference was the generation of literature on the Third Reich which took Hitlerine racial ideology profoundly seriously as a driving force of the Nazi regime. Works such as Burleigh and Wipperman’s *Racial state*, or Aly’s own *Architects of Annihilation*, co-written with Susanne Heim exerted a profound influence on my thinking.³ But, impressive as this work was, it left me dissatisfied: By way of the category of modernity, by way of the relentless stress on the role of expertise and technocracy in the regime’s policies these racial, biopolitical approaches seemed to me to impose on the Nazi regime a false image of normality. The second impetus, which helps to explain the Hitler-centric character of *Wages of Destruction*, is the impact of Ian Kershaw’s monumental two volume biography of the Fuehrer, brought out by my publishers a few years earlier.⁴ *Wages* sets out to offer a very different image of the Fuehrer than that provided by Kershaw. The final decisive influence was the macroeconomic history literature of the 1990s and 2000s. Angus Maddison’s global dataset and quantified comparisons of long-run industrial development, such as those presented

¹ For extremely helpful comment I owe thanks to Alex Anievas, Grey Anderson, Ted Fertik and Jeremy Kessler.

² G. Aly, *Hitler’s Beneficiaries* (New York, 2007).

³ M. Burleigh and W. Wippermann, *Racial State* (Cambridge, 1991) and G. Aly and S. Heim, *Architects of Annihilation* (London, 2002).

⁴ I Kershaw *Hitler 1889–1936: Hubris*, (London, 1998) and I. Kershaw, *Hitler 1936–1945: Nemesis*, (London, 2000).

by Stephen Broadberry, transformed our understanding of international economic development.⁵ They showed with unparalleled precision and generality the large and persistent discrepancies in per capita productivity between sectors and across countries. They overturned parochial national narratives, whether they were of economic miracles or of national decline, subordinating both to a broader understanding of convergence. At the same time, the data shifted analytical attention away from the peculiarities of national culture and social institutions, to determinants of a more basic kind such as the size of markets or natural resource endowment. It was not some interpretative caprice on my part but the force of this evidence that led me to reevaluate familiar images of Germany as an indomitable industrial powerhouse.

The tightly wrought construction of *Wages* resulted from a self-conscious effort to build a narrative around these three disjoint elements. The size of the book is deceptive. It was never intended as a survey or compendium, let alone a substitute for the multi-authored efforts to which Roth compares it. It was always conceived as a parsimonious thought-experiment. Could one grasp something essential about the Nazi regime if one combined a Hitler-centric, ideologically-driven view of the regime with a strong reading of the fundamental material constraints under which it operated? To the frustration of both Roth and Riley, the point was never to subordinate the regime's history to a materialist logic. Nor was I willing to allow the Third Reich to be assimilated to some dark vision of a generic European modernity.⁶ By stressing the binding economic constraints under which the regime operated, my aim was to highlight in stark terms quite how apocalyptic its ideological motivation must have been. The point was to show how the Third Reich itself resisted its assimilation into an America-dominated modernity. My aim was to reconstruct how it came to make its suicidal assertion of political will against the overwhelming material logic which in World War II, as in World War I, dictated Germany's defeat. Germany had neither the resources nor the geostrategic location to establish itself as a comprehensive military superpower. Imperial Germany made an attempt to defy these odds in August 1914. That was disastrous enough, but intelligible against the backdrop of gilded age imperialism. The fact that after Germany's first shattering defeat, after the main lines of a new world order had begun to become clear, the Third Reich should make a second attempt pointed to something far more uncanny at work.

Since it was always my intention to reveal the apocalyptic quality of the Hitlerine vision, I welcome the suggestion that Jaskot makes of the need to consider aesthetic and cultural motivations at the very heart of the regime's propulsive violence. I was strongly influenced by histories of one particular branch of German political culture - the habits of mind of Germany's soldiers.⁷ One of the most unforgettable recent interventions in the history of World War II is surely Bernd Wegner's remarkable essay on the

⁵ The Maddison data set is available at <http://www.rug.nl/research/ggdc/data/maddison-historical-statistics> and S. Broadberry, *The productivity race: British manufacturing in international perspective, 1850-1990* (Cambridge, 1997).

⁶ The interpretive wager of M. Mazower, *Dark Continent. Europe's Twentieth-Century* (London, 1998) and Z. Bauman, *Holocaust and Modernity* (Ithaca, 1991).

⁷ Above all by the work of Michael Geyer, see for instance "Restorative Elites, German Society, and the Nazi Pursuit of War" in R. Bessel, ed., *Fascist Italy and Nazi Germany: Comparisons and Contrasts* (Cambridge, 1996). Subsequently developed with great force by Isabel V. Hull. *Absolute Destruction: Military Culture and the Practices of War in Imperial Germany* (Ithaca, 2005).

“choreography of defeat”, in which he suggests that Hitler’s strategy after the Moscow crisis of December 1941 consisted in the aesthetic orchestration of a spectacular Untergang.⁸ As one of the less obvious influences on the composition of *Wages of Destruction* I would cite Hans-Juergen Syberberg’s astonishing 7 hour production, *Hitler: ein Film in Deutschland* (1977). The idea that Hitler imagined himself as the director-impresario of a gigantic historical Gesamtkunstwerk strikes me as both shocking and entirely plausible. That such an aesthetic-political project requires the mobilization of vast stockpiles of steel, the deployment of huge armies and the taking of millions of lives, that it should generate billions in profit and appeal to the land-hunger of peasant families, in no way diminishes the central importance of the politico-aesthetic impulse that was driving the show.

II

But rather than confining this aesthetic-political impulse to the realm of high policy alone, I try to show it at work within the armaments economy itself. When I remarked that “Speer’s armaments miracle was one more instance of the Triumph of the Will”, I meant to imply just what Jaskot insists upon: a strong continuity between the aesthetic politics of the regime in the 1930s, exemplified by Leni Riefenstahl’s film, and the political economy of the wartime. This continuity was personified by Albert Speer, first Hitler’s architect and then from February 1942 his armaments Minister. The rhetoric of the armaments miracle along with the tanks and aircraft produced was a crucial contribution to sustaining the regime’s political stability even after the war turned decisively against it. But this brings me to a second point of clarification. Jaskot and Riley agree in emphasizing the degree to which *Wages* presents a rationalist account of the Nazi regime. I must take issue with this construction.

Admittedly, I do at times characterize certain elements of regime policy as “rational”. In retrospect I regret these lapses. My real intention was to thoroughly problematize the use of that term. What *Wages* is preoccupied with most of the time is not “rationality” as some absolute or universal value, therefore, the “rationales” offered by regime planners and their efforts at “rationalization”. To this extent, *Wages of Destruction* like my first book *Statistics and the German State 1900-1945. The Making of Modern Economic Knowledge* (Cambridge, 2001) is above all a critique of governmental rationality. I would therefore be loath to have my work subsumed under the category of “Weberian analysis”, the label that Riley suggests. My ambition has been to develop a more perplexing vision of modernity than the straight line narrative of rationalization commonly derived from Weber and attributed to me by Riley and Jaskot. Throughout the book the central question is not whether Hitler’s regime was operationally rational in this or that aspect but whether or not it was capable of formulating anything resembling grand strategy at all. Was it in fact capable of coordinating diplomacy, the strategic conduct of the war, operational planning, armaments projects. and the broader management of the economy, while subsuming all of those pursuits within its ideological vision? This synthesis undoubtedly was the regime’s ambition.

A critical dissection of superficial organizational logic is one of the recurrent themes in *Wages* and one for which an understanding of macroeconomic interrelationships is particularly helpful. For instance,

⁸ B. Wegner, “The ideology of self-destruction Hitler and the choreography of defeat” Bulletin German Historical Institute London 26(2) (2004), 18-33.

Wages shows the way in which the decision in 1934, reinforced in 1936, to opt for a currency control system rather than the devaluation of the German currency, offered a short-term organizational solution which unleashed a cascade of further bottlenecks and constraints. Likewise, I show the way in which the term rationalization, promising the “free lunch” of productivity growth was introduced with increasing frequency after the Sudeten crisis, as the regime came face to face with insuperable resource constraints. I do credit the slave labour regime put in place by Gauleiter Sauckel after 1942 with a “basic rationality”. But this point is made above all to destabilize the all too familiar and apologetic alignment of rationality and efficiency with innocence, as opposed to the irrationality of the violent ideologues. These pairings formed the basis of Albert Speer’s defense at Nuremberg: since Speer stood for a technocratic rationality he could not have been the instigator of terrible violence; conversely, thugs like slave-driver Sauckel could not have been exponents of rational government.

Unwittingly Riley falls into precisely this trap when he suggests that I simplify the story of the linkage between food supplies and the Holocaust by failing to recognize the way in which the violent racism of the regime undermined its ability to mobilize the agricultural resources of Eastern Europe. According to Riley, the shortages of 1942 to which I attribute the accelerated killing of the Jewish population of Poland were themselves the result of racialized brutality in the occupation regime in Ukraine. The counterfactual suggestion is that if the Nazis had set aside their racial ideology and granted autonomy to Slav peasants, the food shortage in 1942 would have been less severe. This is a claim that Riley derives from Mark Mazower.⁹ But what he does not appreciate is that Mazower inherited the idea from a particular strain of wartime and postwar anti-totalitarian counterfactual speculation which was preoccupied with blaming Hitler for the “lost victories” of the Wehrmacht. Amidst the ruins of actual defeat and moral humiliation such fantasies offered a vision of how a “better Germany” might have slain the dragon of Soviet communism. Such speculations had an obvious appeal in the era of the Cold War. It was absorbed into the Anglosphere after 1945 through the mediation of Karl Brandt, an émigré agronomist and influential figure at the Stanford Food Research Institute, who was also one of the founding member of the Mont Pelerin society, the mothership of postwar neoliberalism.¹⁰ Whether or not a program less governed by racial ideology and ruthless extraction would in fact have produced more grain for the Nazi occupiers in 1942 we will never know. At the time and since there have been many skeptics, most notably Christian Gerlach who has delivered a devastating critique of the self-promoting visions of the would-be wartime market reformers.¹¹ In the final analysis all such arguments will remain speculative, informed guesses at best. But we should beware reaching too quickly for the violence-ideology-inefficiency triplet, which is so readily to hand.

A further qualification that *Wages* adds to a simplified vision of modern rationalization is a stress on the extent to which the exercise of power involves the taking not just of calculated risks, but of high stakes

⁹ M. Mazower, *Hitler’s empire* (London, 2008).

¹⁰ K. Brandt, O. Schiller and F. Ahlgrimm, *Management of Agriculture and Food in the German-Occupied and Other Areas of Fortress Europe: A Study in Military Government* (Stanford, 1954) and K. Brandt, *The Reconstruction of World Agriculture* (New York, 1945).

¹¹ C. Gerlach, “Die deutsche Agrarreform und die Bevölkerungspolitik in den besetzten sowjetischen Gebieten”, C. Gerlach et al, *Besatzung und Bündnis: Deutsche Herrschaftsstrategien in Ost- und Südosteuropa* (Berlin, 1995).

wagers under conditions of radical uncertainty. This is a facet of *raison d'état* that is far too often ignored when we imagine modern government as a process of machine-like, monolithic rationalization. It is not for nothing that *Wages* gives great importance to military history, the field in which the play of calculated force amidst the fog of historical uncertainty has always been central. The emphasis that I place on the contingency of events on the battlefields of France in 1940 and the difficulty of analyzing retrospectively what did and did not lead to success is not merely a question of getting the Blitzkrieg right. This emphasis on contingency has systematic importance for the kind of vision of modernity that I want to advance. The notion of a well-prepared, technological Blitzkrieg that was constructed retrospectively after the events of May 1940, both by the Germans and their embarrassed and bewildered opponents, was part of an effort to assimilate something fundamentally incalculable back into a simple model of modernity.

My aim, in short, is to escape the cleft stick of either branding National Socialism as a violent atrocity against modern reason, or subsuming it under some bland vision of modernity, by offering a more complex vision of what the rationalizations and calculations of modern government actually entail. The problem in developing this critical subversion of modernity's own discourses of rationalization is to find some standard by which to calibrate our own judgments. The discursive turn in the analysis of governmentality carries with it the risk of taking the technocrats too much at face value. I wrestled with this in my first book by working from within the archive to pit one group of statistical technocrats against another, using their own standards of criticism and self-assessment as my guide. This was at best a partial, relativistic solution. In *Wages of Destruction* I opted for a more direct approach. I took the sheer scale of twentieth-century Anglo-American economic predominance as the central challenge facing the German political elite. How should they relate to this world historic force, with its vast productive and destructive potential? Should they conform and assimilate themselves to its power or mount an insurgency against it. That was the dilemma that I sought to sketch in the opening chapter of the book with my juxtaposition of Stresemann and Hitler and to trace through the decision-making of Nazi Germany to its eventual defeat in 1945. Both Riley and Roth seem to feel that to argue in this way is to indulge in "triumphalism" or to suggest an unduly "happy end". I can only express my puzzlement at this reading. The Conclusion to *Wages*, with its emphasis on irreparable loss and the concession to Hitler that though defeat had not brought *finis Germaniae* it had brought down the "curtain on the classic era of European politics" and with it "any aspiration to the 'freedom' once implied by great power status" was intended to evoke a bleaker mood – a wistful *posthistoire* rather than a triumphant "end of history".¹²

I do however agree with them that to fully develop this argument would require a fuller account of the structures of international power and political economy, of which *Wages* delivers only a first installment. *Wages of Destruction* would be a far better book if it had been embedded in a more comprehensive account of the operations of international economics and international power politics in the 1930s. Riley and Roth insist on the term imperialism as the proper rubric with which to frame such an overarching account. I demur. In the wake of World War I think the stakes were higher. It is not for nothing as Gopal Balakrishnan recently observed that classic theories of imperialism proved hard to

¹² *Wages*, 675-6. L. Niethammer, *Posthistoire: Has History Come to an End?* (London, 1993).

apply to the world of the 1920s.¹³ What was at stake was a new global order under the sign of what has been variously referred to as ultraimperialism, American hegemony, or Empire. My forthcoming book, *The Deluge. The Great War and the Remaking of the Global Order* will seek to offer a more comprehensive elaboration of this grounding context, tracing it back to the decisive turning point in World War I when American power was thrown reluctantly onto the side of the Entente, against Germany. The question posed by *Wages* is how to understand the insurgency against that order. Riley suggests that we should apply the categories of an inter-imperialist war. The argument of *Wages* is that we must view that struggle as more asymmetric, and thus as an expression of the combined and uneven development of the international system that Riley is rightly keen to stress. Neither the international relations of the interwar period, nor World War II itself are well-described by models of imperialism derived from the more truly multipolar world of the late nineteenth century.

III

If the thrust of *Wages of Destruction* was to insist that Hitler's regime undertook an extraordinarily high-risk bid to forestall the emergence of an American-centered world order, then the next obvious question is why and how this could have happened. It is at this point that Riley's critique becomes truly penetrating. He advances criticisms along three lines: my interpretation of the developmental path of interwar Germany, my reading of Hitler's ideology, and my failure to address the motivations of the dominant class in interwar Germany. On this latter point he is in deep agreement with Roth. In reply I must move beyond general explanation to a more direct rebuttal.

Regarding Germany's economic development in comparative terms the data source on which I relied is the standard macro data set compiled by the OECD for Angus Maddison. To avoid the charge of anachronism I demonstrated how closely these correlated with Colin Clark's contemporary estimates that actually circulated within the German bureaucracy at the time. Both Clark and Maddison's data agree in placing the German standard of living in the 1920s far below that of the United States and Britain, when all three national economies were booming, as well as in the early 1930s, when all were in depression. In purchasing power parity terms, Germany's per capita income by the late 1920s stood at just over 4000 1990s dollars, which in modern terms would rank it amongst the middle-middle income category. Britain and the US, by contrast, had already attained standards of living that would today class them amongst the upper-middle income group. In many cross-sectional and time series studies the transition from lower middle incomes of \$ 3000 per annum to higher middle income levels has been identified as crucial.¹⁴ This threshold was certainly vividly felt at the time. It meant that a large part of English-speaking world already enjoyed the accoutrements that we today take for granted, such as cars and motorbikes, electrification, household appliances, whereas Germany did not. None of these comparative facts are at all contentious. As Jaskot graciously concedes, they provide an important reality check on recent cultural histories that tend to overestimate the modernity of the material cultural of the Third Reich.

¹³ G. Balakrishnan, "The geopolitics of separation" *New Left Review* 68 March April 2011, 69-70.

¹⁴ See the IMF commissioned study, J. Dargay, D. Gately and M. Sommer, "Vehicle Ownership and Income Growth, Worldwide: 1960-2030", *The Energy Journal*, Vol. 28, No. 4 (2007), 143-170.

Riley seeks to drive a wedge into my interpretation by contrasting the data in Table 3 in *Wages* with those in Table 9. In both cases I give GDP and population figures. The figures in Table 9 imply a higher relative per capita income than those in Table 3. Either inadvertently or deliberately, Riley suggests, I have obscured a major inconsistency in the image of the German economy on which *Wages* is based. This criticism, to put it kindly, is overblown. There is no inconsistency between the data in the two tables. They both derive from the same well-known source. As the legends to the two tables clearly state they refer to different time periods. Table 3, which is intended to set the German recovery of the 1930s against a long-run comparative backdrop covers the period 1924-1935. Table 9 refers to 1938. There is no mystery therefore as to the discrepancy between the two. In 1938 as a result of the sudden shift in the New Deal's fiscal policy, the US had slumped into a severe double-dip recession whereas Germany's armaments boom was in full swing. To infer anything about the long-run position of the two economies from their relative position in 1938 would be misleading. The two tables are not in contradiction. They have distinct purposes in the text. Table 3 is offered as part of the discussion of the German standard of living. By contrast, Table 9 is intended to offer a snapshot of the relative balance of forces between the two war-fighting coalitions as it might have *appeared* at the moment of maximum German triumph in the summer of 1940. Table 9 does not give gdp per capita figures, not because I am trying to paper over an embarrassing discrepancy, but because that metric is irrelevant to the main point at issue, which is the total throw weight of the opposed coalitions. The quizzical question-mark in the title to Table 9 – "The New World Order?" - was put there as a clue. As the rest of the chapter goes on to explain, the impression of German dominance suggested by a superficial reading of the data was deceptive. As Riley could easily have established if he had consulted the OECD website, by 1943 the gap between German and American per capita income was back to a whopping 100 percent.

Setting Riley's quibbles over data aside, his more significant point is that my use of the term "middle-income" is an unhelpful simplification that obscures the unevenness of German development. This is puzzling. Riley would appear to be conflating a statement about average level of incomes with a statement about the structure of an economy at any given level of average income. In fact, the characteristic fact about middle-income countries in the 2000-6000 dollar band is precisely the unevenness of their development. The United Kingdom may be the only economy ever to have attained something approximating to full urbanization at such a modest level of income. The entire point of recent comparative work in the history of economic development has been to stress the similarity in levels and trajectories of industrial productivity within the European setting. This in turn implies that to explain patterns of international convergence we must focus on resource shifts between sectors with very different levels of productivity. The "dualistic", internal heterogeneity of the economies is the starting point of the entire story.¹⁵ And this was precisely what I was invoking with the term middle income -- a society which was both capable of mass producing the first jet fighter and yet reliant on horses for most of its agricultural traction. It is precisely such juxtapositions that make middle-income societies such fascinating laboratories of modernity.¹⁶ *Wages* in fact evokes both Bloch's famous phrase regarding the contemporaneity of the untemporaneous and the notion of the "unevenness of

¹⁵ Broadberry, *Productivity Race*.

¹⁶ Fredric Jameson, *A Singular Modernity: Es- say on the Ontology of the Present* (New York: Verso, 2002), M. Berman, *all that is solid melts into air* (New York, 1982).

capitalist development”, both admittedly transposed to the international context.¹⁷ With regard to Germany’s domestic development I thought the chapter on the German peasantry was sufficient to make the point. Certainly as far as my German readership were concerned, the reference to the Luxemburgist classic, Burkhardt Lutz’s *Kurzer Traum der Immerwährenden Prosperität*, was enough to give the game away.¹⁸ If the reception of *Wages* has had any impact on the wider field at all, it is surely to have pushed the question of the unevenness of German economic development into the forefront of the discussion and from there to have derived the centrality of agrarian politics for the genocidal policies of the regime.¹⁹

IV

What of Riley’s critique of my reading of Hitler’s motivations? Riley argues that in downplaying *Mein Kampf* as opposed to Hitler’s *Second Book* I unduly tilt the discussion towards the Western axis of aggression as opposed to the drive for Lebensraum in the East which is truly primordial for Hitler. Setting aside the interesting question that Riley raises about the problem of interpreting Hitlerine texts, what do I mean by saying that we should relativize the significance of *Mein Kampf*? The answer is provided by the text itself.

Written in the aftermath of the war, *Mein Kampf* bears the imprint of that moment. Germany had been defeated in a two front war. Victorious in the East it had been crushed in the West by a coalition anchored by the British Empire and supplied by North America. Like many of his contemporaries Hitler drew stark conclusions. At all costs Germany must avoid a two front war. It must choose. It could opt for the pursuit of overseas colonies, but then it would have to confront the British Empire and would have to seek out continental allies stronger than the Central Powers in World War I, in other words Russia. Alternatively, it could drive for expansion in the East, but then the essential complement would be an alliance with Britain. This is the essential point that Riley ignores. Hitler did indeed opt for expansion to the East. But this had implications for his stance towards the West. Germany must secure an alliance with the British Empire. Failing that a thrust to the East would be dangerously exposed. Apart from resource constraints, it was the search for an alliance with Britain in the early years of the regime that explains why Germany did not embark on major naval expansion until very late in the 1930s. It was the refusal by the British to fall in with Hitler’s aggressive scheme that rendered German war planning from 1937 increasingly anxious and incoherent. It was stiffening British resistance that plunged the regime into a truly headlong armaments effort from May 1938. Within months this foundered on a binding balance of payments constraint. Nor was this, for Hitler, ever a naked strategic calculation. It was always essentially overlaid with ideology. Britain’s refusal to conform to his plan was a deep puzzle, which Hitler resolved by an increasingly ideological reading not only of his thrust to the East, but his understanding of the confrontation in the West as well. Riley suggestion’s that by stressing the war in the West, I view the war in the East as merely a strategic instrument and thus underestimate the

¹⁷ Tooze, *Wages*, xxiv-xxv, 511.

¹⁸ B. Lutz, *Der kurze Traum immerwährender Prosperität*, (Frankfurt am Main, 1984).

¹⁹ Most notably through T. Snyder’s *Bloodlands* (New York, 2010).

significance of racial ideology, is a glaring misreading of one of the central arguments of the book. For Hitler both facets of the war were entangled in the same mesh of ideological and strategic calculation.

Roth writes approvingly of the golden thread offered by the western-centric line. But he asks why I do not make more use of Tim Mason's work in analyzing the crucial turning point in 1938-1939. The answer is that I appreciate and indeed agree with Mason's analysis that the regime was on the edge of a profound crisis. But I read Mason's work through the lens of his controversy with Richard Overy.²⁰ Contrary to Overy, I agree with Mason that the regime was on the edge of a crisis. But Mason's work on the question of labour draws our attention to the wrong crisis and gives us a misleading impression of the regime's managerial capacities. Issues of foreign currency and raw materials were even more pressing than labour at this moment. Furthermore, through its assertion of control over raw materials and foreign currency the regime *did* have a capacity for economic fine-tuning that it could never achieve through the blunter instrument of coercive labour market management. Overy is right therefore to argue that the regime successfully counter-steered in the spring of 1939. But what he does not appreciate is that the means used, the throttling back of the armaments production program, plunged the regime into new problems. It was decelerating its armament effort precisely at the moment that its diplomacy was driving Europe toward war. In a final twist, I argue that it was this mounting strategic impasse that Hitler diagnosed in ideological terms and turned against FDR and the United States in his hate-filled speech of 30 January 1939, which coupled together the threat of world war and the annihilation of European Jewry.

At this point, a solid coalition of the Western powers with the Soviet Union would have frustrated Hitler entirely. That this coalition was never formed is undoubtedly one of the great disasters of the late 1930s. I do not give a full explanation of that debacle because it would have exploded the bounds of an action-packed narrative. But Riley's offhand suggestion that I attribute the outbreak of World War 2 mainly to Stalin's diplomacy is unwarranted. Relying on Silvio Pons's fascinating account of the inner workings of the Soviet regime, I do attribute considerable significance to Stalin's abandonment of collective security in favour of a Leninist reading of inter-imperialist conflict. But what Riley's comment ignores is the broader thrust of my entire analysis of 1938-1941. No one at the time understood the war that they were starting. Not Stalin, not Hitler, not Chamberlain or the French. The German rampage through Western Europe in 1940 was unanticipated and entered the decision-making of none of the major actors. Stalin certainly did help to bring about the outbreak of a war over Poland. But to blame his policy for bringing about the totally unexpected configuration of 1940 would be tendentious and I do not do so.

The spectacular German gamble on victory in the West came off in May 1940 in the way that it had not in August 1914. So this then begs the next question. If war with the Western powers was Hitler's main focus why then did he press on to a disastrous invasion of the Soviet Union? Does this not confirm that he was ultimately fixated on the East? Given that World War II was to such a large extent to become a war in the East, how can one claim that it was not this, but the long-range war against Britain and

²⁰ R. Overy and T. Mason "Debate: Germany, 'Domestic Crisis' and War in 1939" pages 200-240 from *Past and Present*, Number 122, February 1989.

America that dominated decision-making in the Third Reich? If the war in the West was his main goal why did he not explore the Mediterranean option? These are valid questions and Riley puts them well. But he ignores an obvious but all-important distinction, the distinction between strategic assessments ex ante and the unfolding reality of the war ex post. As hard as it may be for us to credit, the evidence that survives from within the decision-making apparatus of the Third Reich suggests the draw-dropping conclusion that the political and military elite of the Third Reich were convinced that the campaign in the East would be short, cheap and victorious. It would satisfy ideological imperatives, whilst at the same time serving instrumentally as a key element in the even wider war to be fought on a global scale against the United States, a war which was itself conceived emphatically in racial terms. When these ex ante expectations of a short victorious campaign in the East were exposed as wildly out of kilter with reality in the late summer of 1941, the effect on the politics of the regime was correspondingly disorientating and transformative.

I did not set *Mein Kampf* aside in a fit of absent-mindedness or as an act of willful revisionism. It is the palpable failure of Hitler's original strategic concept that drives the entire narrative of *Wages of Destruction* from increasing incoherence in the late 1930s, by way of the spectacular roll of the dice in May 1940, to a grandiose but ultimately unreal synthesis in preparation for Barbarossa, and back, by the winter of 1941-1942, to an insuperable, disorientating disjuncture between vision and reality.

Riley is as puzzled as everyone else by Hitler's decision to declare war on the United States. Indeed so perplexed is he that for a moment he loses his usual critical clarity. "A moment's reflection suggests how utterly unreal this vision was" Riley exclaims when confronted with my account of Hitler's rationalizations. About that there can be no disagreement. But I am not arguing with Hitler, I am trying as best I can to reconstruct the rationalizations that may have motivated his actions. The entire thrust of the rest of *Wages of Destruction* is to show the increasingly unreality of his world view. But in our effort to understand this strange dynamic, it will not help if we ourselves slip into unreality. It will not help if we dismiss the German-Japanese alliance as Riley does, as an inexplicable blunder "exposing" Germany to "American air power in the hopes of solidifying an alliance with a second or third-rate industrial power." For a generation, Imperial Japan had been acknowledged not as third-rate but as the third-ranked navy in the world and as a dominant force in the Pacific. It thus provided Germany with one of the two military assets that it never commanded – a major surface fleet - the other being strategic air power. Japan's attack delivered an immediate and devastating blow to the British Empire and a shocking reverse to the US. It drew Western resources away from an invasion of Northern Europe until 1944. As potential allies went, in December 1941 Japan was far from being a bad bet. Framed as it had been by the options of World War I, the possibility of a Japanese alliance had not even been part of the parochial universe of *Mein Kampf*.

V

This brings us to the question that in the final analysis is always likely to be at issue in debates between Marxist and non-Marxist accounts of political economy, the question of class. As Roth and Riley point out *Wages of Destruction* is not a book in which class is the driving force. But neither is it a book in the mode of much recent literature on business history that exculpates German business from its evident

complicity in the violence of the regime. Given the heat which these discussions have generated I sincerely appreciate their generosity in excusing me from the charge of having written an apologetic history. Why did I not go further in offering a full blown account of the political economy of the regime? Roth suggests somewhat archly that I may have wished to avoid an open clash with my business history cohorts. If anyone is entitled to make that kind of comment it is Roth. No one has more consistently waged the fight for a critical view of German capitalism. He has the scars to prove it. But it was not merely out of professional caution that I avoided taking a decisive position on these issues. Fundamentally, I am not persuaded that the kind of view of imperialism favored by Roth and Riley is sufficiently plausible to be worth provoking a contentious argument. Furthermore, I am entirely unconvinced that the operations of international power, however configured, can be understood in terms of the strategies of a specific well-defined dominant class. This seems to me to overrate the coherence and strategic capacity of class groups and of the capitalist class in particular. Furthermore, it fundamentally underestimates the autonomy of the state apparatus as a policy-making and policy-executing agency. This does not mean that the organizations and resources of big business are irrelevant to the operation of modern power. This does not mean that they do not profit from this collaboration. This does not mean that at moments of national crisis they may not rally around a political regime, especially if the enemy the national regime is threatened by is something as terrifying as Stalin's Soviet Union. But this does mean that they do not generally direct diplomacy or war, the central explanandum of *Wages of Destruction*. There may be circumstances in which they do wield decisive influence over economic policy and may intrude in various ways into foreign affairs, but those need to be explained not assumed axiomatically as the prior of any adequate analysis.

If I were to venture on an ad hoc and speculative exercise in social theory I would argue that we should conceive of social change as driven by macroprocesses, operating both locally and transnationally, which at various times may indeed lead to the coagulation of powerful interest groups into forces capable of steering political processes up to and including the conduct of foreign policy. But this is not the normal state of affairs. Normally, states operate with a high degree of autonomy relative to civil society. Detachment and autonomy is what confers on an assembly of institutions and agencies their "statelike" qualities. More than that, there are phases of macroprocessual development, again operating both locally and on much larger geographic scales, which have the effect not of aggregating and mobilizing interest groups, but of disaggregating and pacifying them. In such situations, whatever political force has control of the institutions of the state may gain an extraordinary degree of autonomy. I venture these off the cuffs fragments of social theory in this rejoinder only because it was a model conceived along these lines that I tacitly assumed as the underpinnings of the first six chapters of *Wages of Destruction*.²¹ The absence that Riley and Roth both note with regard to a discussion of the role of the "dominant class" reflects not only a general skepticism towards the idea that business interests or Junker cliques were responsible for the main dynamics of the Nazi regime. My silence on these matters implies the

²¹ The implied narrative of the variable geometry of the German state and its relation to forces in civil society was developed more explicitly in *Statistics and the German State 1900-1945* (Cambridge, 2001) as well as in A. Tooze, 'German business in the interwar period' in P. Panayi, ed., *Weimar and Nazi*

claim, hinted at at various points but perhaps not stated clearly enough, that the early 1930s, the moment at which the Nazis achieved escape velocity, were characterized by a peculiar vacuum of power.²²

The question as it is put in these early sections of *Wages* is as follows: Why is it that German corporatist interest groups had such a powerful influence in the early Weimar Republic and yet their influence over the Nazi regime seemed so attenuated?²³ As work such as Gerald Feldman's magisterial *Great Disorder* has shown, the process of wartime mobilization and inflation created a massive process of social agitation which between 1916 and 1923 set all of German society in convulsive motion.²⁴ In this context the state's power was progressively attenuated to the point at which some business men did in fact exercise a remarkable influence even over foreign policy; both Walther Rathenau and Hugo Stinnes could be thought of as belonging in this category. Business associations really did exercise a veto over essential state functions like taxation and credit. The international rescue of the German nation state by the stabilization of 1923-1924 went some way towards curbing that over-weening business syndicalism. But German business continued to play a strategic role in Stresemann's foreign policy. It was the Great Depression which radically changed the geometry of power, crushing not only the labour movement, but rendering German business interests remarkably powerless as well. If the inflation accelerated the decomposition of the state, the deflation had the reverse effect. It is this specific logic of demobilization that set the stage for the radical assertion of political agency by the Third Reich. The aim of the opening sections of the book was precisely to explain how the regime achieved this capacity to act on civil society and if necessary against it, a capacity sorely lacking in the Weimar Republic.

Following this logic it might then be asked whether or not the war effort of the Third Reich did not produce a remobilizing effect analogous to the experience of Imperial Germany between 1914 and 1923. My answer would be that this is what we do indeed observe. The role of business figures in underpinning the Todt and Speer's Munitions Ministries is undeniable. Inspired by Lutz Budrass's brilliant work on the aircraft industry, I argued that a combination of Nazi leadership mythology and entrepreneurial ideology was so powerful after 1939 that it became a guiding theme in the regime's political history.²⁵ Indeed so much so that the critical analyst has to guard against exaggerated claims on behalf of business efficiency and give credit where credit is due to state actors. Once more it is a question of evading the snares of a self-serving rationalization discourse. My debunking of the Speer myth is in large part an attack precisely on this mythology of a business-run war effort. That there was a rallying of the elites around the Nazi regime in 1942 in the wake of the Moscow debacle is undeniable. But even at such moments of entanglement big business did not direct the course of the Nazi regime. As Roth himself has shown with his extraordinary forensic research on the strategies of German corporate capitalism in the final stages of the war, the option they exercised was exit not voice. From 1943 onwards German business offshored patents and capital as best they could, so as to survive the

²² *Wages*, In this regard in sympathy with the gist if not the detail of D. Abraham *Collapse of the Weimar Republic: Political Economy and Crisis*, by David. Abraham. Second Edition. New York: Holmes and Meier, 1987.

²³ Tooze, *Wages*, 103-104.

²⁴ G. Feldman, *The Great Disorder: Politics, Economics, and Society in the German Inflation, 1914-1924* (Oxford, 1993).

²⁵ Lutz Budrass, *Flugzeugindustrie und Luftrüstung in Deutschland 1918-1945* (Düsseldorf: Droste, 1998)..

aftermath. Once more they thus testified to their powerlessness to divert Hitler and his cronies from their chosen course.

VI

By way of such a variable geometry of interest groups and state power, it is possible to see a way in which the account offered by *Wages* might be brought into dialogue with a thorough-going Marxist approach. But one fundamental difference remains. The note of appalled bewilderment I tried to strike in the first sentence of this book was meant seriously: "How was this possible?" This rhetorical question evokes for me a sense of puzzlement that remains strong even after years of research. This is perhaps where my difference with Riley and Roth is most profound. Underlying their critique I sense a commitment to the idea that ultimately the Third Reich might be understood in its essentials if only it were subject, as Riley puts it, to a "modern analysis ... which systematically lays out the connections between Germany's specific pattern of uneven development, and pressures for imperialist expansion". I do not, I fear, share his confidence that a modern (sic), systematic analysis centered on a notion of imperialism will suffice. I do not mean to raise the Third Reich to a category of inexplicable uniqueness. But I do come away from years of immersion in the period with a sense of bafflement. At one point Riley remarks that *Wages* left many of its reviewers suspended in something like an "analytical vacuum". It is that void that both he and Roth set out bravely to explore. I am grateful to both of them for their efforts. Looking back it seems to me that conjuring up that sense of a vacuum at the heart of the age of extremes may be precisely what I intended all along.