

The Wages of Destruction: The Making and Breaking of the Nazi Economy. *By Adam Tooze.* New York: Viking, 2006. xvii + 799 pp. Photographs, figures, tables, notes, index. Cloth, \$32.95. ISBN: 978-0-670-03826-8

Reviewed by Richard Tilly

The inspiration for Adam Tooze's book, *The Wages of Destruction*, derived from his vision that Nazi Germany emerged on the geopolitical stage primarily in reaction to, and in order to challenge, U.S. world economic hegemony. In this view, the world economic crisis of the 1930s facilitated the Nazi takeover, not only because of its direct effects on German economic conditions but also because the United States, preoccupied by its own economic difficulties, turned away from Europe and the pattern of involvement it had maintained in the 1920s. Nazi economic policies, powerfully shaped by ideology, turned Germany inward—and eastward. In developing his vision, Tooze draws heavily on Hitler's geopolitical reflections, especially as developed in a manuscript known as "Hitlers Zweites Buch" ("second book"). These may be summarized as follows: By the standards of the 1930s, Germany was a major industrial power and the world's third largest economy, but its overall productivity and living standards lagged far behind those of the United States and even trailed those of Great Britain. America's superiority was based on its continental size and abundant natural resources, which enabled it to realize mass production and achieve economies of scale. British superiority, though slighter, reflected the still considerable fruits of empire. Hitler's aim was to create comparable conditions for Germany through the conquest and domination of Eastern Europe, including the territories of the Soviet Union. This was the dream behind the Nazi emphasis on *Lebensraum*, or "living space." According to Tooze, however, the Nazi aim of eastward expansion reflected the negative racist philosophy of Aryan supremacy (and, concomitantly, the destruction of the Jewish population) as much as it represented the positive goal of *Lebensraum*.

In telling this story, Tooze has linked previous well-documented ideological, political, and military accounts of the Third Reich with a less-known economic history of the period to produce a book that is more than simply a history of the Nazi economy.

The narrative follows a broad chronology. Part one, covering the early 1930s, examines the country's recovery from the Depression, the reorganization of its economy, and the beginnings of rearmament. Perhaps the most striking feature of these years was the extent to which Germany was driven to reorganize its international economic relations in response to the hegemony of its main creditor, the United States. In part two, "The War in Europe," Tooze describes the Four Year Plan of 1936–1939 to mobilize the economy for war, culminating in Germany's successful campaigns against Poland and France. Tooze points out that these triumphs were the result less of superior economic preparedness and more advanced technology than of luck and skillful military leadership. The net gains to Germany's war economy from these victories were meager, and it could even be said in retrospect, since they accelerated Anglo-American cooperation, that they had a negative impact. Part three describes the economic costs and benefits to Nazi Germany of widening the conflict by invading the Soviet Union in June and declaring war on the United States in December of 1941. These hostile acts, Tooze reminds us, reflected both economic considerations—a desire to gain access to Russia's oil and grain reserves—and racist ideology—as home to millions of Jews, the Soviet Union was the object of future "Germanization," and the United States was considered to be the headquarters of "world Jewry."

It is not possible in this short review to fully convey the richness and originality of Tooze's findings, but perhaps the following sample can suggest what is on offer.

First, he makes good use of recent research in order to assess Germany's macroeconomic problems in the 1930s. Rather than attributing the economic recovery that took place during those years to measures taken by the Nazis, Tooze maintains that the regime was the beneficiary of an economic recovery initiated by its predecessors in office that reflected market forces and policies.

Second, Tooze outlines Germany's historically unprecedented increase in military expenditures and its redistribution of the national product between 1933 and 1938. He claims that "the Third Reich shifted more resources in peacetime into military uses than any other capitalist regime in history" (p. 660). He emphasizes that this shift took place at the expense of civilian consumption and German living standards.

Third, Tooze stresses the crucial support that big business gave to Hitler and the Nazi Party in 1933. After its election victory, which gave it an auspicious start, the regime successfully mobilized the business community to carry out its rearmament goals. As “willing partners” of the war economy, German businessmen received handsome rewards.

Fourth, despite the Nazis’ control over the economy, the resources available to carry out their war aims were far less than those of Germany’s putative enemies, France, Britain, and the United States. Nor did early Nazi successes in Poland and France change the balance. Nevertheless, as Tooze reminds us, Hitler believed correctly, in 1939 as in 1941, that waiting to carry out his war plans would undermine his chances of success.

Fifth, Tooze expands on the revisionist interpretation of the role played by Albert Speer, Hitler’s armaments chief. The more recent reading of Speer’s role overturns the image of Speer as the idealist technocrat, stressing instead his close cooperation with Himmler’s *Schutzstaffe* (SS) and suggesting that the “armament miracle” he was credited with had less to do with measures he initiated than with his skill as a propagandist.

Some puzzles remain. Given the “balance of resources” that were available for war purposes, it is difficult to understand, even after 700 pages, how Nazi Germany was able to sustain its military operations against overwhelming odds for as long as it did. Perhaps it is still too early to achieve a full account of the relative contributions of the forced labor of Jews and foreigners, the booty obtained from the occupied territories, and domestic production, but that remains a desideratum. Another open question concerns plausible alternatives—the “counterfactuals.” Acceptance of the author’s admonishment to take Hitler’s *Weltanschauung* seriously would return us to 1932–33, when the dynamics of rearmament and mobilization of the economy had not yet begun, in order to search for alternatives. Scholars who pursue such questions, in any case, would do well to take this brilliant book as their point of departure.

Richard Tilly was professor and director of an institute for economic and social history at the University of Muenster from 1966 to 1998. His most recent publications are a textbook (with Toni Pierenkemper), The German Economy during the Nineteenth Century (2004), and a textbook on the history of money and credit (2003). He has just completed a biography of German entrepreneur Willy H. Schlieker, which will be published shortly.