

Eleftherios Giatrakis – A Consideration of the Place and Influence of Hermann Goering on the German Economy

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Hermann Goering, ever since his involvement into the nazi movement, has been primarily known for being the head of the Luftwaffe or president of the Reichstag. However, the offices he held within the nazi party and the german state were many and various, and this occurred partly due to his extensive activity on different aspects of the german politics. Certainly, Goering came to the peak of his power and influence in the mid-1940, when Adolf Hitler promoted him to the rank of Reich Marshal (Reichsmarschall) making him senior to all Wehrmacht's generals. His dominant presence in Hitler's Germany became even more powerful as Hitler a year later designated him his successor and deputy in all his offices. One of the less known capacities of his was that of the director of the national industry and economy after his appointment in 1936 as plenipotentiary of the Four Year Plan. The goals set up by this plan were to make Germany self-sufficient in raw materials and other goods of import (Autarkiepolitik) and as a far reaching goal of it, to prepare its economy for a large-scale war. As long as Goering was in charge of the bureaucratic body that formed and carried out the policy of the Four Year Plan, his influence over economic matters predominated and surpassed several other ministerial portfolios, until he finally became Minister of Economy himself.¹

Goering showed an early interest in the economy soon after the rise of party in power. Clearly, the prospect of a second world war had become visible and ambitious conquest designs on behalf of Germany presupposed years of war preparation. It was not only the planned rearmament, but also the provision for raw materials, such as oil, rubber and iron, needed for the mobilization of the german industry and the german economy in general. Within this framework, took place in the house of Goering a meeting in February between many industrialists and Hitler where among the topics discussed was the need for a change in the front of the foreign commercial relations of Germany.² The industrialists and especially Krupp expressed their feelings that the policy followed by the government did not serve their interests well enough. The Nazis seemed to share the anxieties of the industrialists but did not articulate any specific commitment. A second topic was brought up to the question namely the upcoming elections for the presidency, an office which Hitler had tried in the past to seize more than once.

The matter was whether the industrialists would financially support the nazi party to the elections campaign. Hitler and Goering explained their program to the industrialists, who became so enthusiastic that they set about to raise 3 million RM to support and confirm the nazi party in power.³ Afterwards Goering who did not have yet any office within the party and the state directly related to the industry and economy, pointed out to the industrialists that «the requested sacrifice (meaning the election donations to the party) would prove so much easier to the industry, if you consider that the elections of March, 5 will surely be the last within the next ten years or probably within the next hundred years».⁴ Financial contributions on behalf of the industrialists is now certain that were made and by men like Flick (coal, steel, automobile industry) and Steinbrinck (iron, steel). They were indeed very helpful to the SS and its kindred organizations.

¹ For a detailed description of the positions that Goering held in the Third Reich see Trial of the Major War Criminals before the International Military Tribunal (the blue series – hereafter IMT), Nuremberg, 1947, volume I, 68-69. On this issue see also Broszat M., *Der Staat Hitlers Grundlegung und Entwicklung seiner inneren Verfassung*, 1969, 347-9 and Hildebrand K., *Das Dritte Reich*, München-Wien, 1979, 3. Goering was selected out of many other prominent and historical members of the nazi party to recruit the first cabinet of Hitler in which only three (including Hitler and Goering) were affiliated to the NSDAP. Kern E., *Adolf Hitler und das Dritte Reich Der Staatsmann*, Oldendorf, 1974, 8

² Neebe R., *Großindustrie, Staat und NSDAP 1930-1933 Paul Silverberg und der Reichsverband der Deutschen Industrie in der Krise der Weimarer Republik*, Göttingen, 1981, 177

³ IMT, XXII, 526

⁴ Bracher K. D., *Die deutsche Diktatur Entstehung Struktur Folgen des Nationalsozialismus*, Köln, 1969, 239-240. For this meeting see also Nuremberg Military Tribunal (the green series – from now on NMT), VII, 122 and IMT, II, 222, 226

Later Goering would assist them to secure the bulk of the profit coming from several business projects into the Third Reich.⁵ A series of events though would make Goering more seriously involved in economics than just hosting a meeting or seeking financial aid for his party. And he was to obtain a special place in managing the German economy even before the introduction of the Four Year Plan.⁶ In the foreign exchange crisis of the summer 1934 it was achieved to restrict imports for the rural economy in favor of imports in raw materials for the industry. Eminent harvesters during the world economic crisis, which in their own specific field was intensified by their desperate efforts through increased production to avoid fall in prices, had taken this decision along with many rich stores easy. The next year came up once again the issue of keener rationing of the foreign exchange. The situation became more difficult by the poor harvests Germany was undergoing in the mid 1930s. This time the Reich Minister of Food and Agriculture, Richard Walther Darré with his retinue-employees decided not to give in and they insisted in augmented foreign exchange rations. By then Darré was not in good terms with the President of Reichsbank, Hjalmar Schacht, who was also thinking of the foreign exchange problems as an urgent priority. For the resolution of the problem Goering was appointed in August mediator taking over from Schacht the responsibility of the government control over the foreign exchange.⁷

In the spring of the same year, after Goering had signed a synthetic-gasoline contract with the I.G. Farben industry, Hitler gave him control of both the gasoline and the synthetic-rubber production efforts. It was a time when more close relations were developed between him and the large combine. Those were usually through Carl Bosch, Carl Krauch, General Erhard Milch and other officials from the Reich Air Ministry. His new duties found him presiding mainly over the production of I.G. Farben or receiving reports about it from state officials.⁸ Goering, with his party prestige boosted up and as an emergent economic official within the state, supported Hitler's policy of rearmament and war, which for him had to dominate all economic considerations. It was obvious that the German state had decided to go to war and that there was no way back; besides, on many occasions the top Nazi members did not avoid to openly admit it. Goering at a meeting of the Council of Ministers, which included Schacht, in May 1936, said that all measures were to be considered from the standpoint of an assured waging of war. Furthermore, less than four months would pass for Goering to read out to the cabinet a lengthy memorandum that Hitler had drawn up and which among others stated that the German economy must be fit in four years for military operations. Due to the fact that the show-down with Russia was inevitable all measures had to be taken just as if Germany was actually in the stage of imminent war.⁹

In presenting this memorandum to the ministers, Goering launched a fierce attack against the economic notions of Schacht and his ally, the price commissioner Goerdeler, who both advocated that the rhythm of the rearmament program had to slow down.¹⁰ But his policy in more practical terms and at an earlier stage of the plan seemed to be taking ways similar to those of the Reichsbank's president. Strong was the influence of the staff of Goering's Office in the Four Year Plan, which persuaded him to follow alternative economic and foreign policies, which inevitably were in close relation to those of Schacht. Toward this direction, many contemporaries in Germany and abroad during 1938-1939 thought of Goering as representing a traditional form of great power policy and in favour of peace, far removed from Hitler's warlike plans.¹¹ Moreover, that was what Goering himself testified before the Nuremberg judges after the end of the war, but certainly a testimony of a defendant in a war court has to be taken with reserve. On 18 October 1936 Goering was officially made by a decree head of the Four Year Plan.¹² To this precedent a lot of reaction was raised in Germany for various reasons. According to one of them, bankers remonstrated that a soldier should be in charge of such a scheme, in which a slight mistake in policy could have long-term consequences. Industrialists groaned and thought as well that Goering's administration would cause higher taxation. However, he preferred to appeal to the people for their support and dealt summarily with the bankers and industrialists instead.

⁵ NMT, VI, 104

⁶ Petzina D., *Die deutsche Wirtschaft in der Zwischenkriegszeit*, Wiesbaden, 1977, 124

⁷ Ritschl A., «Wirtschaftspolitik im Dritten Reich-Ein Überblick», 124 in Bracher K. D., Funke M., Jacobsen A., (Hrsg.), *Deutschland 1933-1945 Neue Studien zur nationalsozialistischen Herrschaft*, Düsseldorf, 1992

⁸ Eichholtz D., *Geschichte der deutschen Kriegswirtschaft*, Band I, Berlin, 1971, 41 and NMT, VII, 23

⁹ IMT, II, 222

¹⁰ Evans R., *The Third Reich in Power*, London, 2006, 358

¹¹ Hildebrand K., *Das Dritte Reich*, München-Wien, 1979, 3

¹² Reichsgesetzblatt, part 1, 1936, No. 96, p. 887

As a consequence, the resignations and dismissals followed as the natural sequence to any new appointment of Goering.¹³ He felt himself flattered when nine years after, Herbert Dubois, the American financial interrogator in Nuremberg told him that the Four Year Plan was a 'very interesting institution'. «I have never been a businessman. And this was something completely new to me. My job was to organize the German economy, and my energy was harnessed to get things started. Over the years I learned a lot. My main task was to safeguard the food supply...and to make Germany self-sufficient. The most important items were iron, petroleum and rubber», Goering replied.¹⁴ Self-sufficiency as a major goal of the plan was closely connected with the war expectations that the German leadership had. That is because in the event of war a self-sufficient Germany would be able to withstand blockade to a large extent.¹⁵

Once in charge of the Four Year Plan, Goering showed an unstoppable activity in realising all schemes and designs already set. It was then, when he realised that economics would brilliantly serve his own purposes to politics. That proved to be easier to achieve when the intervention of the state into the economy of the Third Reich was such that no other could be compared to it. Scholars contemporary to him failed to see this, even when it was obvious to figure it out.¹⁶ Nonetheless, very often and regular were the meetings of his with high officials in Berlin talking about the production capacity of the German industry, which according to him, had to reach colossal measures.¹⁷ A whole new economic organization was promptly established, with six departments dealing with the production and distribution of raw materials, the control of prices and foreign exchange and finally with the coordination of the labour force. Ultimately, the Four Year Plan would save foreign exchange by concentrating domestic production on oil, rubber and low-grade iron ore.¹⁸

The administrative body of the Four Year Plan counted hundreds of employees, many of them standing very close to Goering. At the same time Goering presented notable activity on the iron ore extraction and smelting. The rights for the iron ore production in Salzgitter that belonged to the United Steel Works and to other smaller groups of owners, in spite of the new offer for cooperation with the state they were expropriated and transferred to the newly established 'Hermann Goering Works'. For this enterprise Goering wished to be the biggest in the German area of control. This firm, founded in July 1937, was owned and run by the German state. Also based in Salzgitter, it was designed to produce and process low-grade iron ore at an uneconomic price, something that private industry had been unwilling to do.¹⁹ And indeed the expansion of this industrial enterprise was so enormous that cannot be explained by the goal of autarky, because the newly established Works, functioning with a spirit of fierce competition, undertook everything, to that extent so that it was later impossible to slow down their development rhythm – till that strange circumstance, the United Steel Works to lead their investing activity to the hydrogenation works, after the upgrading of the allocated investment goods in the steel production proved no more possible.

A year after the beginning of the works in Salzgitter occurred the annexation of Austria to the Third Reich. The Hermann Goering Works took immediately advantage of the precedent and rushed to annex the there iron ore production.²⁰ It was not only the iron ore deposits of Austria that were put in direct exploitation by the German state. The postal service, the railways, the banking system, the currency and all other economic institutions were unified with their German equivalents.

¹³ Blood-Ryan, Göring, the Ironman of Germany, John Long Limited, 1938, 268

¹⁴ Irving D., Göring A biography, 164

¹⁵ Goering testified in Nuremberg that in order to achieve this aim it was necessary, first, to increase agriculture to the utmost, to control and direct it, to control consumption and to store up supplies by means of negotiations with foreign countries; secondly to find out which raw materials, imported until then, could be found, produced and procured in Germany itself and which raw materials that were difficult to import could be replaced by others more easily obtainable. IMT, VIII, 283

¹⁶ Gritzbach E., Hermann Goering: The Man and his Work, London, 1939: «For Goering nothing is more self evident than that freedom to trade in the world markets must go together with political sovereignty and national defence» p. 114 Not only the Four Year Plan was hostile to the freedom of the world markets (since it didn't let others trade in Germany) but it was also highly estranged from defence purposes having at the same time a fierce aggressive attitude.

¹⁷ Shirer W., The Rise and Fall of the Third Reich, London, Secker and Warburg, 1960, 300

¹⁸ Milward A., The German Economy at War, London, 1965, 19 See additionally NMT, VII, 816 He also took care that the automobile manufacturers received sufficient material that could be produced normally again.

¹⁹ Evans, Ibid., 372

²⁰ Ritschl A., Ibid., 126

Two days after the takeover, the Four Year Plan had subsumed the entire Austrian economy while the German production in petroleum and iron ore increased substantially as a result of the takeover.²¹ Austria was for Goering very important economically not only for its quite significant production in oil but also for the many other kinds of raw materials produced by that country. For this reason Goering designed on March 26, two weeks after the annexation a seventeen point construction program for Austria that called for expansion of the arms industry and intensified exploitation of the hydroelectric power. Other party leaders planned to gain prestige by reducing Austrian unemployment through industrialization.²²

Indeed, Goering from the very beginning of his political career showed a particular tendency to break with other leading members of the party and the government. That was the way of his to consolidate in power distinguishing his figure among others. On 26 November 1936 he issued a directive concerning raw and synthetic material production. It was a certain attempt to openly and formally surpass the authority of Schacht in this section. As it was later proved by official documents, Goering's Office for Raw and Synthetic Materials pre-empted control over large economic areas previously in the hands of Schacht. Another reflection of this conflict can be seen in a specific part of this directive, quoted as follows: «The planning and determination of the objectives as well as the control over the execution of the tasks which must be accomplished within the framework of the Four Year Plan, are the responsibility of the Office for German Raw and Synthetic Materials, which supersedes the authorities which have heretofore been in charge of these tasks». Two weeks later Schacht thought that it was necessary to order all supervisory offices in the Ministry of Economics to accept instructions only from him.

On August 5, 1937 Schacht wrote a critical letter to Goering, who responded with a 24-page letter on August 22. This correspondence instead of bringing them in an agreement revealed in detail the many differences between the two men. A quotation from the letter of Goering reads as follows: «In conclusion I should like to refer to remark which you made in a paragraph of your letter entitled 'The Four Year Plan' [...] I know and I am pleased that at the beginning of the Four Year Plan you promised me your most loyal support and co-operation and that you repeatedly renewed this promise even after the first differences of opinion had occurred and had been removed in exhaustive discussions. I deplore all the more having the impression recently, which is confirmed by your letter, that you are increasingly antagonistic toward my work in the Four Year Plan. This explains the fact that our collaboration has gradually become less close».²³

Despite a brief reconciliation the rivalry of Goering with Schacht was kept on and after another exchange of blows during the summer of 1937 Schacht thought there was no better solution for him than to resign from office. His own foreign policy emphasized foreign trade as a necessary source of rearmament material but Goering on the other hand was a proponent of the complete self-sufficiency. It was a good chance for the Minister of Economics to denounce as unsound the foreign-exchange policy, the policy regarding production and the financial policy which Goering was following through the Four Year Plan. Schacht travelled down to the retreat of Hitler in Obersalzberg in August to submit formally his resignation. The Fuehrer was loath to accept it, because he was afraid of an unfavourable reaction both from home and abroad, but eventually yielded to the insistence of Schacht and agreed to release him two months later. Schacht went on leave on September 5 and his resignation was indeed formally accepted on December 8.²⁴

Schacht as an economist represented a very responsible policy maker into the Third Reich and was also very aware of that time's economic theories and systems. His recent experience in dealing with the hyperinflation of the mark credited him a capital of trust and respect. Speeches of his in Nazi rallies attracted the intense interest of Adolf Hitler. It is also true that he characterised Goering in Nuremberg after the end of the war ignorant in economics, something that the Goering, sitting on the same court bench with him did not deny.²⁵ Schacht, despite his merits and achievements had to be replaced from the place of the director of the German economy, due to his objection to the pace of rearmament of Germany.

²¹ Evans R., *Ibid.*, 655

²² Hayes P., *Industry and Ideology IG Farben in the Nazi era*, Cambridge, 1987, 223

²³ IMT, V, 142-6

²⁴ Hitler when accepted Schacht's resignation simultaneously appointed him Minister without Portfolio but later the resignation was extended to his pre-Four Year Plan position of Plenipotentiary for War Economy. As Schacht told the interrogation in Nuremberg after the war he never took orders from Goering. IMT, V, 145-6

²⁵ IMT, XIII, 2

Hitler himself had already shaped the future course of the German economy and state, while the economic realism of Schacht unable to fit the plans for an expanding war economy was regarded as a serious irritation.²⁶ Besides, there is no doubt that the departure of Schacht meant for Goering a great personal victory. His enforced position in the German economy was even more widened, when chosen to replace Schacht in the Ministry of Economics. But his new service was of temporal character. In mid-January 1938 Hitler approached Walther Funk, former economic journalist, in the opera of Berlin and casually informed him that he would be the next director of the German economy.²⁷

However, this temporary loss of power did not daunt Goering from stabilizing and advancing his own position into the economy of the Third Reich. The Hermann Goering Works continued its aggressive behaviour by taking over small firms in the same area and in April of that year the Rheinmetall-Borsig armaments company. A little later the large Thyssen concern was finally fully nationalized a deed which functioned into the wider frame of the call for autarky and rearmament. In front of this situation and the unprecedented intervention of the state into the economy, many industrialists, backed behind the scenes by Schacht furiously reacted and began intriguing against the Four Year Plan and talking about ways of getting state controls reduced. But as Schacht was gradually stripped off of his authority and the nazification of the economy and the state was even more enforced, the industrialists eventually caved in.²⁸

Goering early advocated that over-bureaucratization was setting in danger the fulfillment of the Four Year Plan in due time and having the support of the IG top management he pointed out that he was to carry out the first revisions against this «administrative hubris».²⁹ Very close to him was a chemist scientist, former executive of BASF, Carl Krauch. Krauch played a key role in realising the Four Year Plan. His activity during wartime was to be equally important. In August Goering appointed Krauch his authorised representative for mineral oil, rubber and light metals as well as responsible for shooting and explosive material for the production of «chemical means of fighting».³⁰ The same day he issued an order for the implementation of all plans of war economy and especially of the Carinhall plan, which he had designed and announced some days earlier and whose purpose was to contribute to the preparations for war. More specifically, this plan (also called ‘Krauch Plan’) contained a new program for producing chemical warfare agents (poison gas), explosives, rubber and gasoline production.³¹ Into this environment of escalated intension, a situation that provoked a nervous feeling for the unknown future to many Germans drafted to the army, the industrial regime of Germany adapted itself to the transitional nature of the period.

The capitalist principle of obtaining maximum profit with maximum resources stood high in the agenda of the Reich’s political and military aims, as it was expected that the debts and waste, caused by the acting investment of the businesses would be made good from war booty in a few years’ time.³² Nonetheless, in every direction one could figure out the strong connection between the main industrialists and the Nazi regime; all the industrial units that represented Germany’s capacity to undertake and conduct a large-scale war were extremely vital to the accomplishment of the basic aims of the Third Reich.³³ Toward this direction Goering in his speech in the Sportspalast, which had excited much interest in Germany, had made an appeal to German inventors to support the government by submitting inventions with which any scarcity could be overcome.³⁴ Another very colourful example of the particular relationship between the Nazi state and the German industrialists can be deemed the regular deliveries of fuel by I.G. Farben to the Nazi state. Those oil deliveries later proved to be very crucial for the Wehrmacht. In the summer of 1938 Goering gave orders that the Air Ministry immediately ask I.G.

²⁶ IMT, IX, 453

²⁷ Shirer W., *Ibid.*, 311-312 and IMT, *Ibid.* Hitler had an unequalled skill on taking advantage of the ambitions and disputes between his inferiors. Although Hitler supported Goering in his antagonism with Schacht, he was fully aware of the rising power of the Reich Marshal, who in due course could be fatal even for his own place in the Third Reich.

²⁸ Evans R., *Ibid.*, 372 ff.

²⁹ Kockel T., *Deutsche Ölpolitik 1928-1938*, Berlin, 2005, 222

³⁰ For the relationship of Goering and Krauch with a focus on the fuel matters see Birkenfeld W., *Der synthetische Treibstoff 1933-1945 Ein Beitrag zur nationalsozialistischen Wirtschafts- und Rüstungspolitik*, Göttingen, 1964, 220 ff.

³¹ Eichholtz, *Ibid.*, 46-47. See also NMT, VII, 23

³² Hildebrand K., *Ibid.*, 48 ff.

³³ NMT, VI, 104

³⁴ NMT, VII, 998

Farben to store in Germany 500 tons of tetraethyl lead up to a time when Germany's own tetraethyl lead plants were scheduled to be ready in late 1939. The Air Ministry, fully aware of the I.G. Farben's relationship with the American Standard Oil Company of New Jersey, requested Krauch to use his position in I.G. Farben in order to borrow those needed volumes of gasoline additive from its American partner. The deliveries were finally arranged to be made by the Ethyl Export Corporation of the U.S.A., the Standard Oil affiliate, responsible to trade this additive.³⁵

It was a time when Goering was intensively worried about the condition of the Luftwaffe. On July, 8 he addressed a number of the leading German aircraft manufacturers and laid the groundwork for a huge increase in aircraft production. He also stated that the war with Czechoslovakia was imminent and that the German Air Force was already superior in quality and quantity to the English. According to his exact words: «...if Germany wins the war then she will be the greatest power in the world, dominating the world market and she will be a rich nation. For this goal risks must be taken». A few weeks after the Munich Agreement at another conference held in Goering's office, he made the statement that Hitler had instructed him to organize a colossal armament program which would make insignificant all previous accomplishments.³⁶ For the realisation of this scheme Goering supposed as a first priority that it was necessary to obtain the essential foreign exchange and for this reason he instructed the Ministry of Economics (under Walther Funk) to increase exports.³⁷

After the war broke out Goering, staying firm in his peacetime notions, pointed out that supplies in raw materials for the successful carrying out of the war had a major role to play and that a great part of the military effort had to concentrate on securing enough volumes of them.³⁸ More specifically, he began farming out non-essential civil production to the occupied countries, enabling German industry to focus on military hardware. Thus, the manufacturers in optics and precision engineering were allowed to retrieve machinery recently looted by the Germans. There was also an issue whether Germany should occupy in the home industry foreign labour force coming from the conquered countries. Initially, expecting a rapid result in Russia which would bring the war to an end, German authorities evinced no interest in employing the vast source of war prisoners of the captured territories in the Soviet Union. But Hitler and Goering were later forced by chronic labour shortages to revise their earlier opposition to deploying foreign labour. Goering thought that, while German workers belonged to the arms industry the Russians could be engaged to more humble occupation. Since only four hundred thousand of the available pool of just over a million Soviet prisoners of war was fit for work, it was inevitable that the Nazis looked towards the Soviet civilian population to bridge the gap between supply and demand.³⁹

In early 1940 copper requirements could not be met from the almost exhausted stocks. The problem appeared when the Army had tried to induce the Air Force to reduce its copper demands. Goering stressed that Air Force consumption was lower than the figure given by the Ministry of Economics. Fritz Todt was appointed to resolve the dispute and at the same time speed up all technical innovations that would reduce the consumption of copper. And he succeeded this by implementing the already developed process of substituting iron-driving bands for copper ones in munitions. Todt's appointment had been within the Four Year Plan as 'inspector-general for special tasks of the Four Year Plan' and in such a position Goering was his superior. Yet the stance of Goering toward the new inspector grew hostile since Todt was partly responsible for stopping the Air Force encroaching on Army production plant. This same hostility was later transferred to Todt's successor Albert Speer. Thanks to his success Todt became on 17 March 1940 the first Reich Minister for Armaments and Munitions.⁴⁰ It was a war period when the Axis met with a series of significant military advances. In April 1940 Germany invaded Denmark and Norway to secure shipments of iron ore from Sweden, which the Allies were ready to disrupt. On the same day that the British Prime Minister Neville Chamberlain was replaced by Winston Churchill, 10 May 1940, Germany invaded France, Netherlands,

³⁵ NMT, VII, 28

³⁶ IMT, III, 538. And for the expectation of war while the invasion of Czechoslovakia was imminent NMT, VII, 23

³⁷ NMT, VII, 816

³⁸ Petzina D., *Autarkiepolitik im Dritten Reich Der nationalsozialistische Vierjahresplan*, Stuttgart, 1968, 145

³⁹ Burleigh M., *The Third Reich A new history*, London, 2001, 479. In Nuremberg when asked about the use of slave labor Goering said that «we did use this labor for security reasons so that they would not be active in their own country and would not work against us. On the other hand, they served to help in the economic war [...] Workers were forced to come to the Reich. That is something I have not denied». IMT, I, 281

⁴⁰ Milward A., *Ibid.*, 58

Belgium and Luxembourg and after successfully using blitzkrieg tactics, succeeded in occupying those countries within a period of some weeks. Although the initiative for these German attacks was primarily military-strategic, a strong economic reason played a decisive role in order the High Command of the Wehrmacht to realize the plans of these operations. Goering, who had been recently promoted to Reich Marshal, showed a particular interest in the newly acquired territories. He was thinking that large German capitals should penetrate the Dutch, Belgian, Norwegian and Danish economy for the enforcement of the changing economic integration of those countries and the creation of a powerful connection between them and the Reich.⁴¹ Apparently, Goering would never let a possessed country unexploited. Under the heading of 'Systematic Exploitation of the Economy of the Occupied Western Territories for the German War Economy', he decreed on August 26 that: «It is a necessity of high political importance that the capacities and raw materials in the Occupied Western Territories shall be employed systematically and to the fullest extent in order to help the German war production and to raise the war potential for the fulfillment of the demands to be made in the interest of further warfare».⁴² Critical assistants of Goering to the spoliation of the conquered territories in the West were Rosenberg, Ribbentrop and Seyss-Inquart.⁴³

More specifically, under what the occupation authorities called «Action Böhme», a lot of people from the Netherlands were obliged to sell wines and various objects destined to form gifts for the German population. The same thing occurred as regards the organization of the black market, for, in order to carry out the Four Year Plan, Seyss-Inquart gave Goering and Speer competent assistance in the pillage of the Dutch economy. A huge black market was fostered and maintained and when Dutch prosecutors tried to intervene they were prevented from doing so by the German police. Goering also thought that it was necessary to abolish the frontier control between Dutch occupied territory and Germany something that he did soon after the country was invaded by the German troops.⁴⁴ In the subsequent war that Germany made, the more challenging invasion of France, a much wider field of exploitation stood available for the looting forces of the Wehrmacht. Germany had invaded France on May 10 outflanking the Maginot line and in less than two months the troops of Axis achieved a spectacular victory. Shortly after the armistice and in conformity with the directives of Goering, a great number of French industries were the object of specific proposals on behalf of German groups anxious to incorporate all or part of the assets of those companies. The Germans were in a privileged position due to the fact that they had taken over the control of industry and the direction of production.⁴⁵ Taking advantage of this situation Goering brought about through Roehling, the official sequestrator, the cession to the Hermann Goering Works of all the factories of Lorraine belonging to the family of Wendel.⁴⁶

In October of the same year and into the flames of a re-enforced war the Four Year Plan was extended for another four years. Goering was maintained as the supreme authority while Hitler paid particular attention to the adaptation of the plan to the circumstances of war.⁴⁷ The special powers which Minister Funk had to surrender to the renewed Four Year Plan were based on an agreement between him and the Reich Marshal Goering, an arrangement which had Hitler's approval.⁴⁸ Goering and his advisers were trying at that time to place the armament of the Luftwaffe in a wider military program. On 14 May 1941 Goering put in action the 'Industrial unit of the Reich Marshal for the production of Luftwaffe equipment' which was going to be concluded by six leading firms of constructors. The chairmanship of the committee of representatives of those firms was undertaken by Ernst Udet, colonel general and director of the German Air Force. Udet possessed according to Goering and his office the experience of a decisive industrial leader to achieve considerable increase in the armament of Luftwaffe. Permanent member of the committee was William Werner, who represented the group Junkers-Auto Union and acted within the Luftwaffe as a stabilising element.

⁴¹ Neulen H. W., «Deutsche Besatzungspolitik in Westeuropa - zwischen Unterdrückung und Kollaboration», 416 Bracher K. D., Funke M., Jacobsen H.-A., (Hrsg.), Deutschland 1933-1945, Ibid.

⁴² NMT, VII, 159

⁴³ IMT, VII, 93-4

⁴⁴ IMT, VII, 102-3

⁴⁵ IMT, VI, 40

⁴⁶ IMT, VII, 93-4

⁴⁷ Reichsgesetzblatt, part 1, 1940, No. 185, 1395

⁴⁸ IMT, XI, 66

The presence of the company was even more enforced by Richard Bruhn and Heinrich Koppenberg, the last one being a strong adherent and admirer of Goering, who had previously served as chairman of its board. Other corporations, which gained a footing in the committee, were mainly occupied with the manufacture of aircraft and automobile.⁴⁹ Goering as head of the Four Year Plan was the active authority in spoliation of conquered territory. He was planning the spoliation of the Soviet territory long before the invasion of Soviet Union on 22 June 1941.⁵⁰ Two months prior to the beginning of the operation, Hitler gave Goering the overall direction to the economic administration in the territory and for this function he set up an economic staff. Under his capacity of Reich Marshal, Goering was issuing orders that were covering all economic fields including nutrition and agriculture. The Wehrmacht also contemplated plundering and abandonment of all industry in the food deficit regions and from the food surplus regions a diversion of food to German needs. Goering also attended the conference of 16 July 1941 when Hitler said that the Germans had no intention of leaving the occupied countries and that all necessary measures should be taken (shooting, desettling etc).⁵¹

At this very crucial point of the war Goering continued demanding that the plunder of occupied territories be intensified. As the Four Year Plan was renewed, agriculture and the entire economy in the conquered countries were completely under his own control. Therefore, he kept reminding of the task for plunder the Reich commissioners and representatives of the military command. Many orders of his concerned the immediate exploitation of all the resources of the countries under the control of Wehrmacht. These directives of Goering were carried out by the Reich ministers and representatives of German firms, which controlled various kinds of economic groups, technical battalions, economic staffs and economic inspectorates. Big businesses such as Friedrich Krupp A.G., I.G. Farben industry, the Mining Metallurgical Company 'Ost', Heinrich Lanz and many others actively participated to the plunder of property of the Soviet Union. Following the directives of Goering the local authorities mercilessly plundered the population of the occupied territories.⁵²

Particular attention was paid on the food supplies and crude oil as the main economic objective of the campaign (in Soviet Union). A new directive paid stated that many other kinds of raw materials were essential for the national industry of Germany and that they could be obtained in high quantities from the newly acquired territories.⁵³ All raw materials, semi-manufactured, and finished goods had to be withdrawn from the markets by means of orders, requisitions and confiscations. Rubber, magnesium and platinum were collected immediately and removed to Germany. Foodstuffs, as well as articles of domestic and personal use, and clothing discovered in the combat zone and in the rear areas were placed at the disposal of the economic detachments to satisfy the needs of the armies. And what was rejected by them was passing to the next highest war economy agency. One of the resources that the Germans especially had an eye on in the East was the abundant deposits of the Soviet Union in oil. At that time Baku was considered to be among the richest in production oil sources in the world and certainly Goering was aware of the importance for Wehrmacht to militarily occupy the area.

He proved to be a critical figure in shaping the oil policy of the Third Reich especially during the war. Apart from founding the Continental Oil Company in March of the above year⁵⁴ he contributed decisively to the formation of the Wehrmacht strategy toward locations that would provide with crucial and adequate oil reserves. Maikop was captured by Wehrmacht from August 1942 to January 1943 when Goering was forced not only to receive the catastrophic reports that the occupied oil plants had been severely damaged by enemy attacks but also that the whole region of Caucasus started to fall into the hands of the opponent. It was a time when Goering under the capacity of coordinating the German war economy was pressing for the increase of the production of Germany in crude oil. According to him the already existing drilling and extracting plants had to be put in an appropriately unified plan and that the manufacture of new drilling and extracting plants must be driven up to the highest possible level. Due to the fact that Germany did not have a considerable home production in oil, Goering paid particular attention to the oil resources of Romania, Hungary and Croatia, under German possession or control.

⁴⁹ Eichholtz D., *Ibid.*, 12

⁵⁰ Especially the exploitation of the huge reserves of U.S.S.R. in raw materials. Eichholtz D., *Geschichte der deutschen Kriegswirtschaft 1939-1945*, Band II, *Ibid.*, 14-15

⁵¹ IMT, I, 281. On that same day Goering and Hitler had a conversation on the issue of the East ('Ostfrage'). Krausnik H., *Hitlers Einsatzgruppen Die Truppe des Weltanschauungskrieges 1938-1942*, Stuttgart, 1981, 120

⁵² IMT, VII, 186

⁵³ IMT, VI, 103

⁵⁴ Eichholtz D., *Krieg um Öl Ein Erdölimperium als deutsches Kriegsziel (1938-1945)*, Leipzig, 2006, 45-53

The manufacture and instalment of the new equipment had to be made in cooperation with the Reich Minister for Armament and Munitions, the Reich Minister for Economy as well as with the high Command of Wehrmacht. All the oil companies concerned could receive the above machinery, which was to be distributed and dispatched by the Four Year Plan. As regards the further elaboration of crude oil, the overall plan was to make reference to the general authorized staff of the Four Year Plan for the responsibility of particular matters in the chemical manufacture of oil.⁵⁵ In a wider overview of this critical moment of war, namely the late period of the year 1941, one has to regard the German war economy at its most productive and efficient moment of the whole period of the Third Reich. Apparently, this was also reflected on the political and military successes that Nazi Germany had over this period. The gathering of a huge army to attack the Soviet Union and the initial victories that he marked was certainly the largest in extent operation that Hitler ever undertook. If the internal economy of the Reich would have provided with the essentials, those two goals (preparation and invasion) wouldn't have occurred.

For this same reason, we have to decline the view of a brilliant as for the rest historian of the German war economy that: «The chaos and the competitive rivalry in the state monopolistic mechanism of the war economy was in no other time of the war bigger than in the second half of 1941».⁵⁶ For this chaos that no doubt the German economy experienced has to be sought in the later phase of the war, during the years 1944-45 when the damage inflicted by the allied forces upon the economic strongholds of the Third Reich were of irreparable character. Besides, somebody has always to bear in mind that when the Marxist way of analysis is being followed in narrating history, and in order to work out safe conclusions, it is important the most, that its interpretative tools and methods are being used with responsibility and scrupulous care.

Certainly, the invasion in the Soviet Union brought the dilemma whether the German economy could sustain the demands of such an operation. General Georg Thomas had given before the attack a negative answer to this issue. For all that, Goering continued the policy of an intensified economic preparation and carrying out of the military plans that Hitler pursued during the war. It certainly proved to be facile to outmanoeuvre well-established scientific opinions. In addition, many incidents still came to be a reason for a worsening or at least a strain with other Nazi figures and politicians. One of them happened after the death of the Minister for Armaments and Munitions on 8 February 1942, Fritz Todt, with whom Goering had become increasingly distant, Hitler appointed in his place his favourite architect, Albert Speer. Goering immediately expressed to Hitler and in the presence of Speer his desire to be himself the one to take over the assignments of the deceased Dr Todt. In this case, they would avoid frictions and difficulties they had faced in the past as a result of overlapping responsibilities.

Besides, Goering could incorporate the ministerial duties within the framework of the Four Year Plan. Despite efforts of Goering to convince him, Hitler ignored his proposals remaining firm in his initial decision: «I have already appointed Todt's successor. Reich Minister Speer here has assumed all of Dr Todt's offices as of this moment». Goering preferred to make no comment on the announcement of Hitler but he said instead: «I hope you will understand, my Führer, if I do not attend Dr Todt's funeral. You know what battles I had with him. It would hardly do for me to be present». Eventually, Goering attended the funeral of Todt, so that the disagreements between the Nazis would not become public knowledge.⁵⁷ Since the elevation of Speer in ministerial office, the relationship between him and Goering continued to be on bad terms.

Main reason for that was still the complex net of the ministerial and political domains. Between May 1942 and the end of the war the powers of the Speer Ministry were to increase more. Within the frame of the Ministry of Armaments and War Production there was since Todt's era a committee called the Central Planning Board. This committee regulated sub-committees each of which had a responsibility for some sector of the economy, while served as a means for Speer to maintain central control of the economy. Goering expressed his opposition to Central Planning policy, frequently delaying its application. Even after the assumption of office by Speer, the powers that he exercised within the Central Planning were nominally exercised by him as a deputy of Goering. Both offices lacked a defined sphere of functions and by October 1942 this failure to set clearly boundaries in their authority led the two men to quarrelling, when Goering roused himself from an increasing physical and mental deterioration.⁵⁸

⁵⁵ BA (Bundesarchiv, Berlin-Lichterfelde), R 3101/30.155

⁵⁶ Eichholtz D., *Geschichte der deutschen Kriegswirtschaft 1939-1945*, Band II, Berlin, 1981, 18

⁵⁷ Speer A., *Inside the Third Reich Memoirs by Albert Speer*, London, 1970, 193-196

⁵⁸ Milward A., *Ibid.*, 133

The Allies soon realized that one of the weakest spots in the structure of the Third Reich was the oil supplies of Wehrmacht. Germany before and after the war was securing the necessary fuels by imports, synthetic production by I.G. Farben industry and some limited home production. Obviously the first two emerged as the most important sources before the Wehrmacht's conquests of foreign oil fields and plants. Particularly significant for the needs of war was the production of I.G. Farben as well as the oil deliveries from the other side of the Atlantic, as a result of the cooperation of this large chemical combine with the biggest and strongest oil enterprises of the western world. Bombardment against oil refineries of the Axis had taken place soon after the war broke out initially by the Royal Air Force.

But those were not systematized and consequently did not inflict any serious damage upon the enemy. During the second half of the war when Germany largely lost the initiative, the attacks of the Allies against the oil plants possessed by the Wehrmacht were better planned and more frequent. Immediately after 12 May 1944 the day that the combined Allied Oil Offensive started, both Krauch and Goering sent reimbursements for the plants to be promptly repaired. Especially due to his capacity as head of the Luftwaffe, Goering realised the danger against the continuation of the fighting ability of the whole German armed forces and that he should at once take measures for the defence of all oil plants under German possession. None the less, in a meeting with Carl Krauch and in the presence of Hitler, Goering tried to push the responsibility for the heavy damages that the Allied air forces had inflicted on the possessed petroleum plants to Krauch, stating that they had been built with a commercial way of thinking and without any military consideration.⁵⁹

In order to better understand how Richard Overy successfully perceived the true meaning of the essence of Nazism, within which Goering lived and developed his activity, when calling their world irrational,⁶⁰ one has to examine the serious crimes committed by the Nazis, especially during the war. Their world for them and for their contemporaries did lack rationality that was intensified by all the notions of deceit and evil that worked well for their selfish and racist way of viewing the world. All of the ideas expressed by the phenomenon of Nazism existed long before this movement appeared and the only difference was that they once again turned up in a much more massive and higher degree. In the case of Goering many incidents are able to confirm his complicity to the crimes of Nazism. The slave labour policy that he followed can be a very good example. And he was quite responsible for that because Goering was charged with the recruitment and allocation of manpower within the Third Reich. Under his capacity of Plenipotentiary of the Four Year Plan Goering signed a directive concerning the treatment of Polish workers in Germany and implemented it by regulations of the Security Service of the SS, the 'Sicherheitdienst' (SD). He also issued directives to use Soviet and French prisoners of war in the armament industry; he also spoke of seizing Dutch and Poles in order to make them prisoners of war if necessary, and increase by this the labour force working for the Reich.⁶¹

It has also been suggested, somehow imprecisely, that the Four Year Plan was a response to economic circumstances and a consequence of a major shift in the political balance inside Germany.⁶² However, one has to deny both arguments about the plan in which Goering was the central figure. The plan was no response to any economic circumstance and it did not appear as a reaction to anything that differed the Nazi way of making politics. It functioned as the first stage of the longing of another world conflict, which did not necessarily need to occur but it did, due to the pure ideological nature of the Nazi phenomenon, not being caused by some historical circumstances but framed into some wider economic, diplomatic and military events of the later 1912 era. Moreover, a Marxist point of view emphasized that in the name of the Four Year Plan a personal union was created between the agrarian and the industrial sector of the German economy, which previously was represented by Hugenberg. And that this had to do as well with the behavior of the Third Reich in general: the now re-established personal union of the agrarian and industrial economy of Germany «agreed and disagreed at the same time with the original intentions» of the Nazi movement.⁶³

⁵⁹ Eichholtz D., *Ende mit Schrecken Deutsche Ölpolitik und Ölwirtschaft nach Stalingrad*, Leipzig, 2010, 73. See also Hayes P., *Ibid.*, 373 ff. Krauch had already lost the small remaining protection afforded by Goering's patronage.

⁶⁰ Overy R., *Goering the 'Iron Man'*, London, 1984, 19

⁶¹ IMT, I, 281

⁶² Overy R., *Ibid.*, 49

⁶³ Sohn-Rethel Alfred, *Ökonomie und Klassenstruktur des deutschen Faschismus Aufzeichnungen und Analysen*, Frankfurt a.M., 1973, 106

Although this statement seems to correspond with some historical facts as they purely appeared, it is essential in advance to state once again the perils of making frequent use of generalizations and stating conclusions that defy the individual factor of making history. In any case, the Four Year Plan had a more industrial character rather than being a scheme for the re-organization of the agrarian economy of Germany. At the personal level this time Goering had tremendous influence on Hitler, until at least 1943 when their relationship started to dramatically deteriorate, ending in his arrest in 1945.⁶⁴ Goering was accused for high treason during the last days of the Third Reich, after an attempt of his to assume supreme leadership. That was enough for Hitler to deprive him from all his offices within the party and the state. But despite this event, which can be seen as another reflection of a falling empire, Goering was more or less politically faithful to Hitler throughout the whole of his career with the Nazis.⁶⁵ He also testified in Nuremberg that Hitler kept him informed of all important military and political problems.⁶⁶ However, one has to regard him as one of the most prominent Nazis, if not as the second most important in the hierarchy of the party and the state. Being occupied with economics functioned for him as a result of the natural complications, which political organizations are often tied up with. Goering invested a lot, in order to achieve that kind of distinction that would stabilize and enhance his own position in the Third Reich.

Just like Hitler, he was more of a soldier thinker rather than a strict calculating man. He never intended to spend much of his time counting or saving, although he would welcome revenues as a result of a pursuit of the kind. Forced by the coincidence, got engaged in a field that totally altered his way of thinking about politics. Largely he maintained all the notions that he previously had on the place and future of Germany into the European family. Therefore, someone has to consider his activity in economics as another section that Nazi Germany had to pay attention to in preparation of a world conflict. Apparently, the work that Goering left as administrator of the Nazi economy surpassed in quality and sizes all other accomplishments of his in public life. Much away from any theoretical system that would enable him to have a more differentiated relationship with the task of making economy, he rushed to apply the most practical methods that would bring as soon as possible Germany to a high degree of fighting readiness. And indeed they worked very well for the Nazi economy. On the contrary, the eventual outcome of the war, as a denial of the whole cosmic theory of Nazism, had as another cause of it the fact that the national economy of Germany was overstretched in many places and at a level which its advanced quality could no longer keep up with.

Goering had figured this out before 1 September 1939. Although ready to break relations with anyone into the party and the state, he never willed to break with Hitler himself: «I have no conscience – Hitler is my conscience», Goering is believed to have said. For this very reason, whether he truly meant that he did not desire the war or not, he could never oppose his eventually sole superior to this end, from any office and for any reason. In any case, Goering's economics represented a strong isolative tendency and simultaneously an intensification and escalation in the rhythm of development. But in none of those directions he really had the creative initiative - Hitler once again was the responsible for all the forms that the German economy took over the years of his rule. Finally Goering was only the lieutenant to carry out a mission implied by the ideology and goals of the Nazi movement. It proved to be as well the same mission implied by the machineries of the historical process.

⁶⁴ German general Karl Heinrich Bodenschatz who was the liaison officer between Hermann Goering and Adolf Hitler told the judges in Nuremberg that according to his personal opinion and conviction, Goering begun losing influence with Hitler in the spring of 1943. IMT, VIII, 9

⁶⁵ And about the position of Hitler, especially concerning his judicial jurisdiction NMT, III, 1013

⁶⁶ IMT, I, 279