

Unternehmensstrategien zwischen Weltwirtschaftskrise und Kriegswirtschaft: Chemnitzer Maschinenbauindustrie in der NS-Zeit 1933–1945 [Business strategy between the depression and the war economy: The machine-building industry of Chemnitz in the Nazi period, 1933–1945]. By *Michael C. Schneider*. Essen: Klartext, 2005. 543 pp. Index, notes, bibliography, appendix, figures, tables. Paper, €39.90. ISBN: 3-898-61372-0.

Reviewed by Peter Hayes

This well-researched book is a multidimensional study of three machine-building firms based in the Saxon city of Chemnitz during three distinct periods in the history of the Nazi economy: the prewar years from 1933 to 1939; the first phase of the war from 1939 to 1942; and the desperate stage of total mobilization from 1943 to 1945. Michael Schneider's principal objective is to lay bare the business strategies pursued by each enterprise during each time span and to assess the degree to which they were autonomously determined or dictated by Nazi economic policy. Because the surviving documentation is most nearly complete for the largest of the three firms—the Wanderer Werke AG, a maker of office equipment (typewriters and calculators, to which the corporation sought to add punch-card tabulators), metals milling machines, bicycles, and motorcycles—it takes center stage in Schneider's account. Sections on the Maschinenfabrik Kappel AG, which produced typewriters and turning lathes, and the Astrawerke AG, which concentrated on calculators, are interspersed throughout the book primarily for comparative purposes.

On the basis of his thorough case studies, Schneider concludes that the Nazi regime “partially suspended” (p. 487) entrepreneurial autonomy but never eliminated it. State encroachment was greatest with regard to personnel matters (e.g., firing Jews, even those in positions as sales-representative abroad, and influencing appointments), price-setting, and deliveries in wartime, but interference became pervasive only after 1943, when Albert Speer's Armaments Ministry enforced nearly total conversion to war production. Meanwhile, firms could pursue different market strategies. Wanderer, by far the largest and strongest of the three enterprises, continued to concentrate on office

machines and stuck with its ambition to break into punch cards. Daunted by the prevailing shortage of skilled workers and by doubts that the armaments boom would last, and fixated on a “mission” to defeat American producers of office equipment in European markets, the corporation avoided direct military production as long as possible and contained the growth of machine tool output, despite its relatively high profitability. Conversely, Astra jumped on the armaments bandwagon as a form of diversification and began making gun parts even before the war, and Kappel split the difference, avoiding direct military manufacturing but taking up indirect service to the war economy by producing lathes. After 1939, the firms also adopted similarly varying responses to another issue. Astra, fearing the withdrawal of resources and workers from its assembly of calculators, sought to salvage production by transferring it to the Warsaw ghetto and employing the captive labor force there. Kappel selected the same course, but too tardily to succeed, and Wanderer rejected the option as unnecessary and distracting. In short, until 1943, and even in a few respects thereafter, the firms Schneider examines remained capable of making strategic choices about the best ways to secure their commercial futures, and they did so in a consistently self-interested fashion.

Schneider knows that the machine-building sector was atypical of German industry under Nazism in several respects, so he warns against generalizing from his findings to the broad conclusion that private enterprises enjoyed widespread freedom of action in the Third Reich. Because this economic branch was not highly concentrated, not subjected to elaborate state oversight, not a target of anticapitalist feelings in the Nazi Party, and not an arena of competition from state- or Party-sponsored enterprises, such as Volkswagen or the Hermann Goering coal-and-steel conglomerate, greater autonomy was possible here than elsewhere. Moreover, the fact that office machinery generated far more scarce foreign exchange from exports than it consumed for costly imported materials (e.g., nickel and rubber) neutralized the regime’s usual interest in channeling production in the directions of arms, autarky, and aggression.

A praiseworthy feature of Schneider’s narrative is his combination of statistical analysis and attention to the importance of individual executives. Hermann Klee and Werner Kniehahn were the decisive figures within the Wanderer Werke: the former as the firm’s chief manager from 1929 on and the driving force behind its determination to

go toe-to-toe with American competitors; and the latter as the production leader for office machines from 1936 to 1938, then technical director on the managing board until 1942 and the principal proponent of efforts to break into punch-card tabulation at the expense of Dehomag, IBM's German subsidiary. This offensive, which started promisingly in 1940–41, foundered after America's entry into the Second World War terminated the parent firm's already very limited control over Dehomag and thus made it trustworthy to the German military once more. Kniehahn then fell out with Klee over other issues, left Wanderer in early 1943, and joined Dehomag, effectively ending the former firm's aspirations.

All in all, Schneider's account confirms a point familiar to specialists, but perhaps not to wider audiences: German industry was not uniformly eager to chase arms contracts and reorient its trade relations during the 1930s, not least because many executives questioned the staying power of Nazi economic policy. Envisioning an eventual return to normal competitive capitalist conditions and thus a future that resembled the past, such managers proved reluctant to alter customary practices or products. This sort of corporate egotism slowed Germany's economic mobilization before the war and in its early years. Perhaps Schneider should have noted, however, that such thinking was delusional. Nazi economic policymakers, especially Gustav Schlotterer during the period following the fall of France, repeatedly told business audiences that political constraints would continue to guide commercial decisions in the New Order of a Nazi-dominated Europe.

Schneider's picture of commercial autonomy also tends to obscure the decisive fact that Wanderer's capacity to determine production strategy depended heavily on making choices that did not conflict with the Nazi regime's desires. The firm's quest in 1936–41 to get into punch-card machines actually served a Nazi political interest in having a domestic German firm in this field. That Wanderer successfully played the nationalist card for a time was not a sign of autonomy, but of exploiting a political advantage. Similarly, prioritizing office machines over milling equipment and clinging to export markets brought the regime foreign earnings that it needed just as much as the conceivable benefits of the reverse actions. Had sticking with its own production strategy challenged official objectives, Wanderer surely would have been brought into line earlier.

Larger firms, such as Degussa, that also counted on a return to “normal” markets and competitive conditions, found it impossible to organize their output based on this assumption, because the regime repeatedly invoked more urgent “national” priorities and induced service to them by deploying a well-tested repertoire of carrots and sticks. In any case, even before military needs became all consuming after Stalingrad, Wanderer’s conscription into the war economy was far advanced: at the end of 1942, over half of the firm’s workers already were occupied in war production.

For these reasons, Schneider’s results actually may reinforce a generalization that contradicts the one he cautions against and draws strength from a host of recent histories of corporations under Nazism: firms enjoyed strategic autonomy in the Third Reich only at its pleasure.

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