

Die deutsche Textilindustrie zwischen 1933 und 1939: Staatsinterventionismus und ökonomische Rationalität [The German textile industry between 1933 and 1939: Government intervention and economic rationality]. By Gerd Höschle. Stuttgart: Franz Steiner, 2004. 369 pp. Tables, figures, appendix, bibliography, notes. Paper, €64.00. ISBN: 3-515-08531-9.

Reviewed by Jonas Scherner

German business history has been booming over the past twenty years. This development was encouraged by the reunification of Germany, which gave researchers access to the East German regional archives containing the collected files of companies that were nationalized after World War II. Scholars consulted these and other archives in Germany mainly in order to examine the Nazi period. Many excellent monographs and articles emerged as a result, but their scope was limited in certain respects. First, the research often focused on (certainly very important) ethical questions, especially the use of forced labor. Second, almost all the companies that were studied belonged to autarky and armament branches, a priority of the Nazi regime. Third, the studies tended to focus only on individual firms, rather than comparing a range of companies. Finally, their results were sometimes only based on the companies' files and did not draw on information that was available in public archives like the *Bundesarchiv* (Federal Archives).

Gerd Höschle has successfully overcome such shortcomings in this book on the German textile industry between 1933 and 1939, which began as his dissertation. This branch employed the fourth-largest workforce in the German manufacturing sector, behind metal processing, food, and clothing and far surpassing chemical firms in terms of number of employees at the time. In spite of its importance, little is known about the textile industry. Höschle is mainly concerned with how textile manufacturers reacted to the regulations imposed by the Nazi regime and whether these regulations caused them financial suffering. In order to examine these questions, Höschle made use of eighteen regional public archives and constructed a sample of ninety-nine textile firms, drawn from all branches of the industry.

Höschle begins by describing the emergence of the regulatory framework governing the industry. The Third Reich established regulations as a way to deal with the country's chronic lack of foreign currency, which had become critical at the beginning of the national socialist regime. By 1934, the *Reichsbank's* foreign currency reserves had diminished dramatically. In the spring of that year, textile manufacturers were subjected to strict regulations designed to reduce the consumption of raw materials, which were mainly imported. For instance, the purchase of the raw materials they needed for making textiles was prohibited in March 1934, and in the following

months, the stockpiles of raw material were considerably diminished. The resulting shortage, which became acute in May, led to processing problems. At this time, Hitler himself asked to be kept informed about the textile crisis, probably because he recognized its importance to popular acceptance of Nazi rule. A significant share of average household consumption went toward clothing, partly because of the lid coming off the pent-up demand for textiles during the Great Depression. In July 1934, the so-called *Faserstoffverordnung* (regulation of textile fiber) was approved, outlawing plant expansion in the textile sector and limiting the work week to thirty-six hours. The aims of the *Faserstoffverordnung* were clear: preventing further shortages of raw materials and checking the rise of unemployment in the textile industry that was resulting from the restrictions placed on imports of textile fiber. Over time, further regulations were imposed. For instance, beginning in 1936, the *Beimischungszwang*, which made the mixing of fibers compulsory, was issued. According to this rule, textile companies had to mix a prescribed amount of staple fibers—man-made fibers based on cellulose—with natural raw materials.

Höschle demonstrates that, as long as they remained within this regulatory framework, firms were free to produce the kinds of textiles they thought would be most profitable, even though their allotted quotas for ordinary materials continued to decrease. However, the regime did set up a system of incentives, whereby companies that produced goods for certain markets received extra rations of scarce raw materials. Export orders and orders placed by state agencies, for example, were accorded such privileges. There were numerous exceptions to the ceiling the state had imposed on prices in 1934, which froze textile prices at their 1934 level. The same is true regarding the plant expansion prohibition. Because of these exceptions, both prices and manufacturing capacity increased. Thus, in spite of regulation, textile companies still were given some leeway to make independent decisions regarding their production. Furthermore, through an analysis of the tax balance sheets from the companies in his sample, Höschle demonstrates that it would be misleading to describe the textile industry as a “loser” under Nazi economic policies. While some branches, such as the silk industry, undoubtedly lost out, others benefited from these policies.

Höschle’s study will be an indispensable resource for scholars who are interested in the economic development of this German manufacturing sector during the Nazi period. Its comparative methodology, large sample selection, and wealth of archival material will make this study a standard for further research on the development of German consumer-goods industries during the Nazi period, a topic that has heretofore been neglected.

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