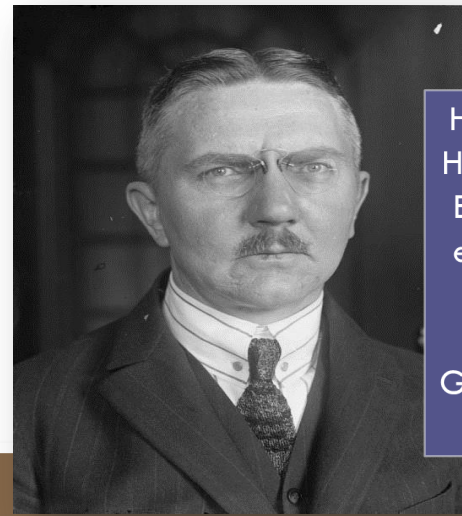


The Nazi Economy



Hjalmar Schacht was Hitler's Minister of the Economy. He was an economic expert but Hitler decided he wanted to take the German economy in a different direction.

The situation in 1933

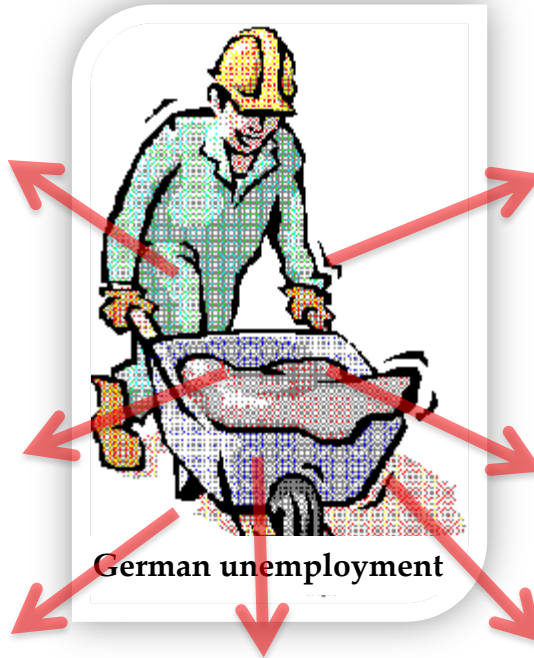
When Hitler came to power in 1933, the German economy was in ruins as a result of the [Wall Street Crash and Depression](#). Unemployment was 6 million and Hitler promised '[Arbeit und Brot](#)'. The key to Hitler's success was getting the economy back on its feet again. One of Hitler's first tasks was to reduce unemployment which had risen to over 6 million in 1932. A number of policies were introduced which caused the unemployment figures to drop. It was down to 1 million by 1936 and by 1938 Germany needed more workers. However, quite a number of people had disappeared from the list of unemployed; Jews, many women, soldiers and many 18-25 year olds. Hitler did not know much about economics. He appointed [Hjalmar Schacht](#) Minister of the Economy. Schacht did very well. However, he fell out with Hitler. Hitler wanted to rearm Germany faster than Schacht said the country could afford. He was sacked and sent to a [concentration camp](#).

How did Hitler reduce unemployment?

Jobs were created by giving government money to farmers and industry to make the country self-sufficient.

Men aged 18-25 had to serve in the armed forces. [Conscription]

Women were encouraged to stay at home.



Jews were sent to concentration camps and not included in the unemployment figures.

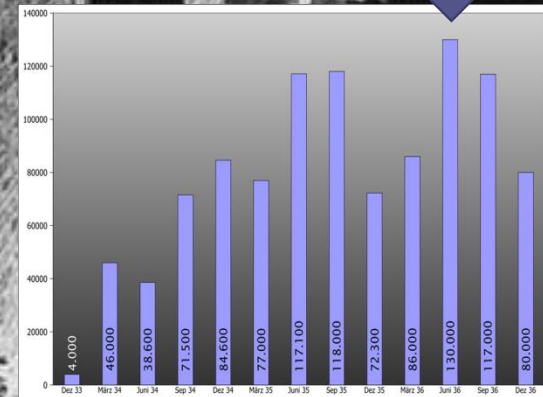
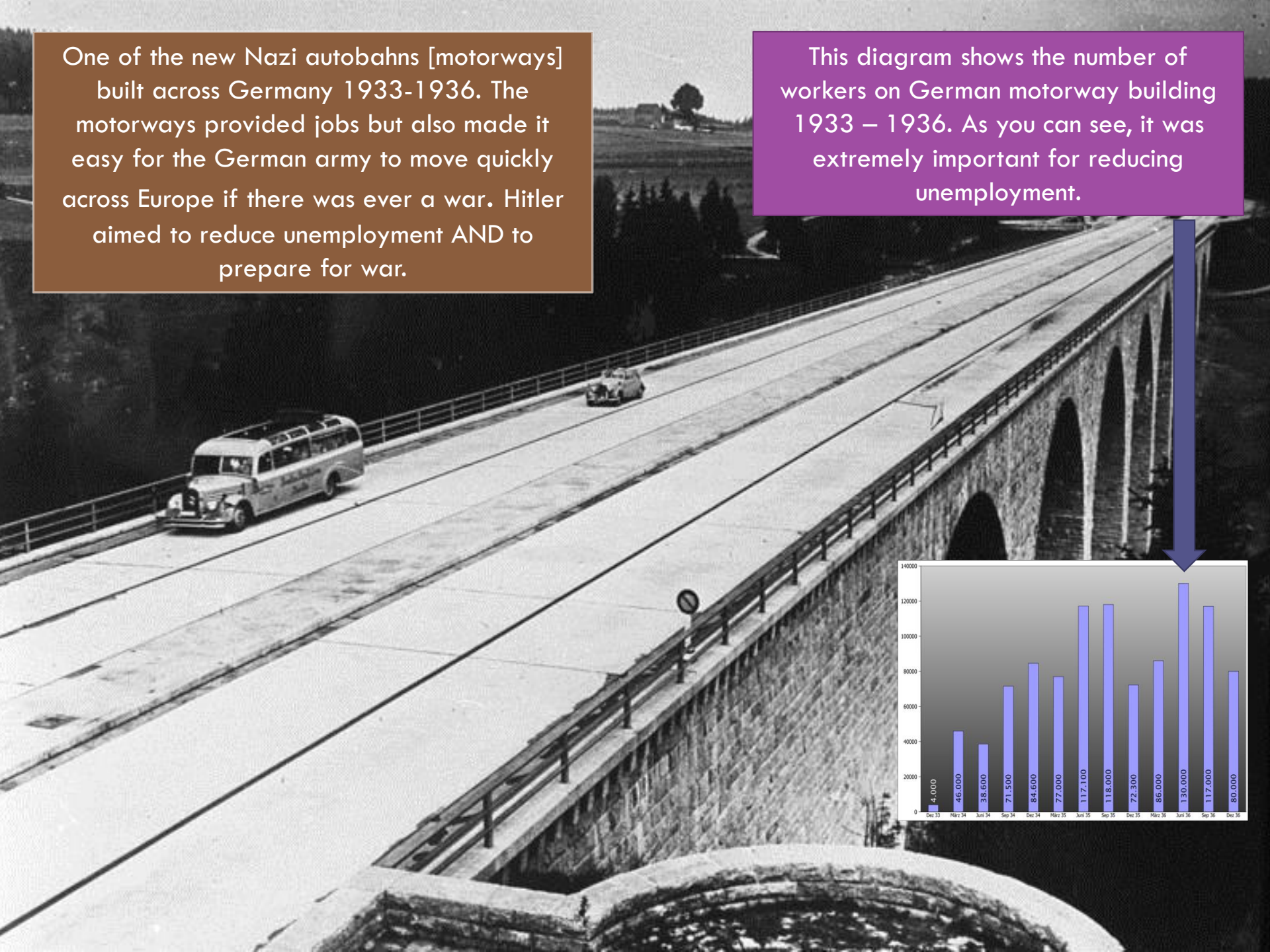
The National Labour Service [RAD] was set up to find work for the unemployed.

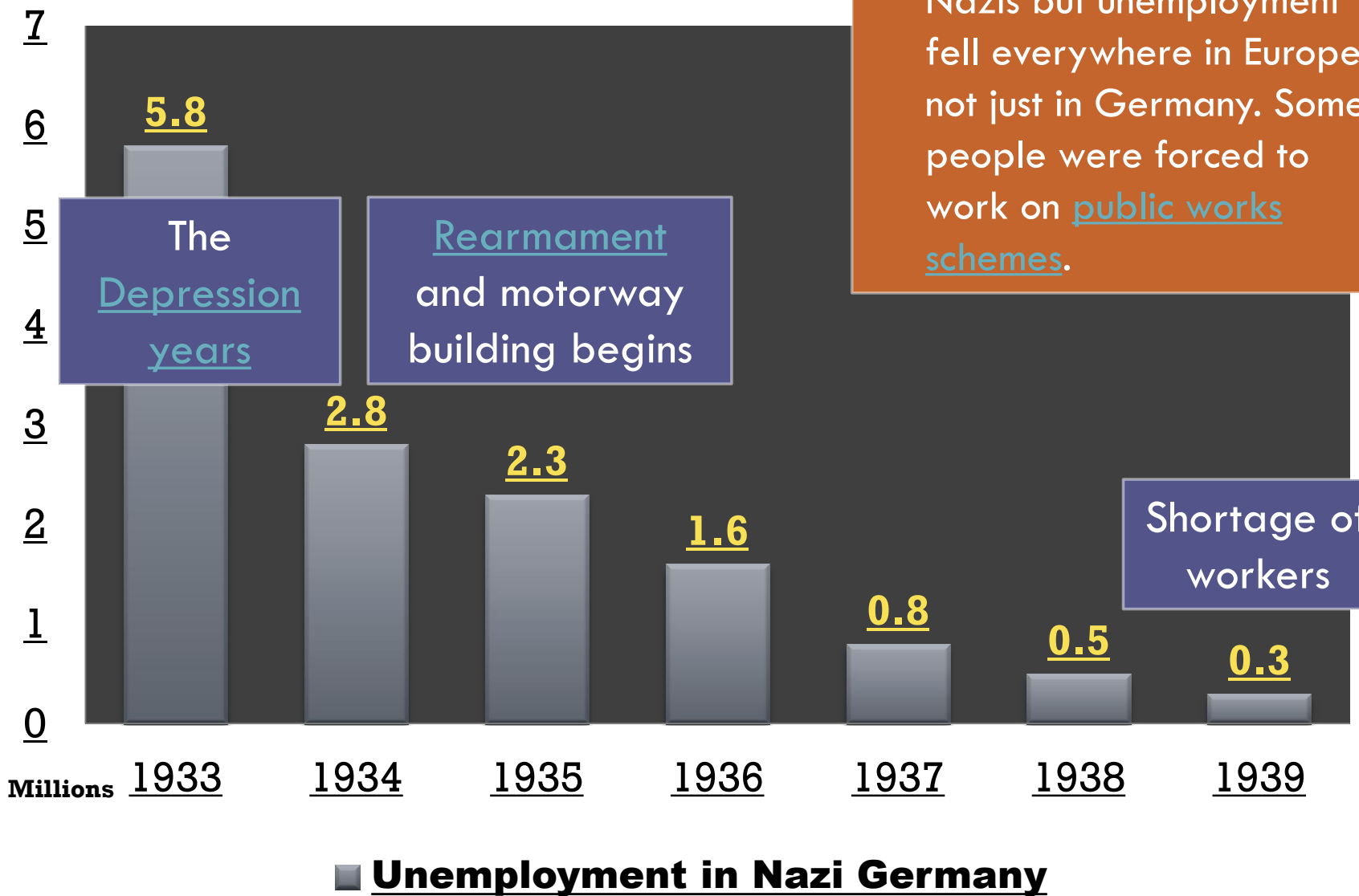
Wages and prices were controlled by the Nazis.

Public works schemes were introduced to build motorways.

One of the new Nazi autobahns [motorways] built across Germany 1933-1936. The motorways provided jobs but also made it easy for the German army to move quickly across Europe if there was ever a war. Hitler aimed to reduce unemployment AND to prepare for war.

This diagram shows the number of workers on German motorway building 1933 – 1936. As you can see, it was extremely important for reducing unemployment.





Reducing unemployment was an achievement for the Nazis but unemployment fell everywhere in Europe, not just in Germany. Some people were forced to work on [public works schemes](#).

The Nazi Economy

Hermann Goering was a leading Nazi. He took control of the German economy in 1936 and introduced the Four-Year Plan.



The Four-Year Plan 1936

Reduce unemployment

Rearm

Autarky

Get Germany ready for war

THE FOUR-YEAR PLAN 1936

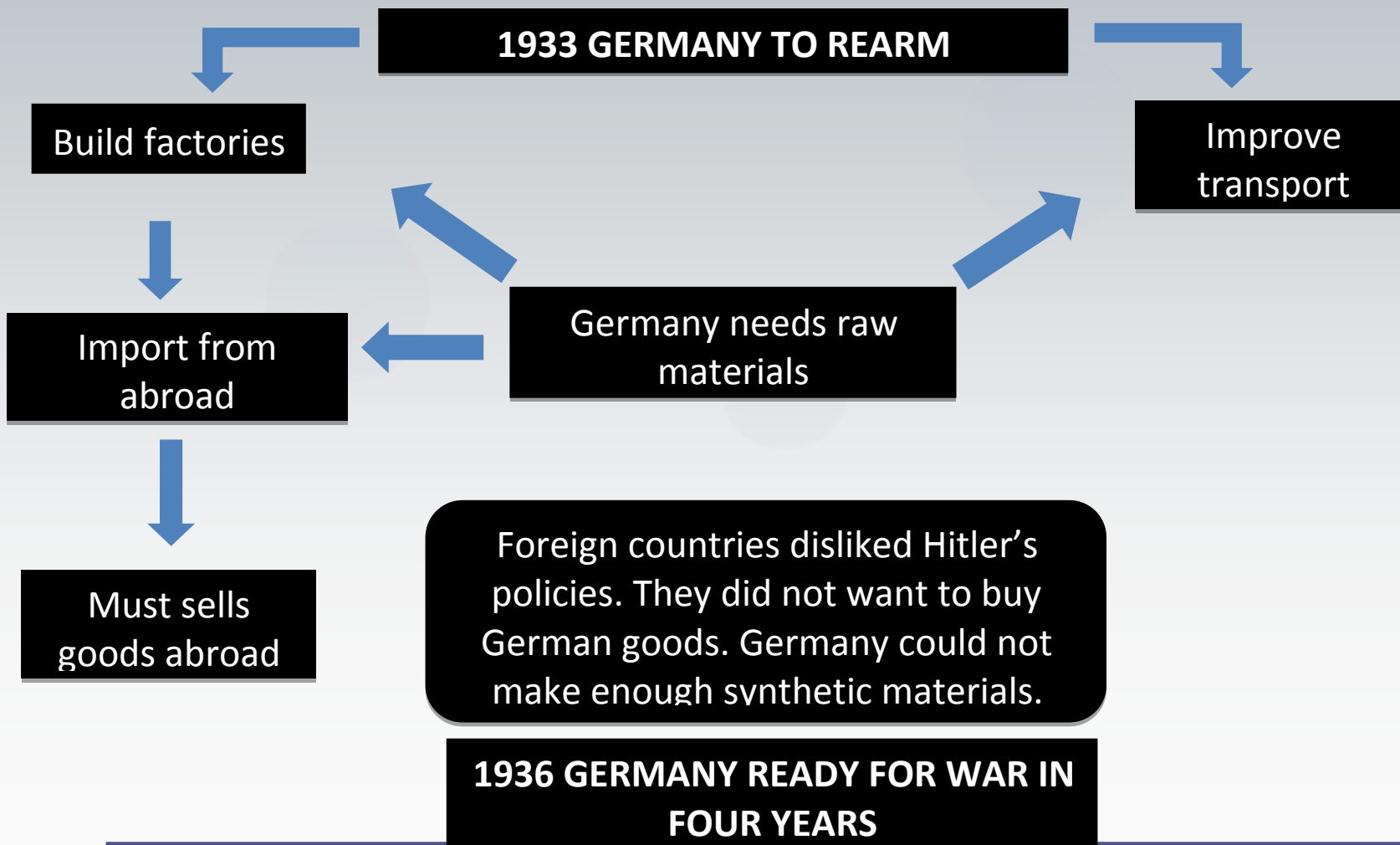
Hermann Goering took control of the economy. He was also head of the Luftwaffe (the air force), but not an economist. Goering introduced a Four-Year Plan in 1936 to build up the economy so that Germany would be ready for war in 4 years.

Hitler had 3 aims for the German economy under 'the Nazi revolution':

1. To reduce unemployment - one of his main election promises.
2. To re-arm Germany and make Germany ready for war within 4 years.
3. To make Germany more [self-sufficient](#) [Autarky] - reduce to a minimum the amount of goods needed to be imported. Hitler knew that Germany was dependent on imported goods like rubber, textiles and petrol and so could be strangled in a [wartime blockade](#) (as the Allies had done in the First World War).

NAZI ECONOMY

Rearmament and the Four Year Plan



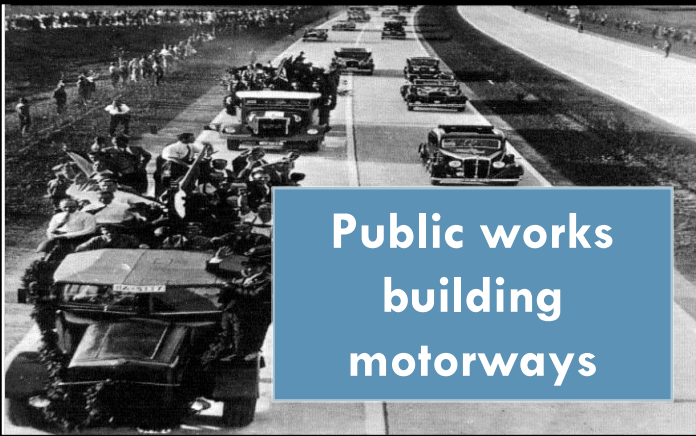
THE NAZI ECONOMY



Strength
Through Joy



German
Labour Service



Public works
building
motorways



Farmers digging
irrigation
ditches

The German Labour Service

Unemployed men aged 18-25 had to join the Labour Service. They had to wear uniforms and lived in camps.

Men in the German Labour Service worked on public work schemes.

Digging ditches

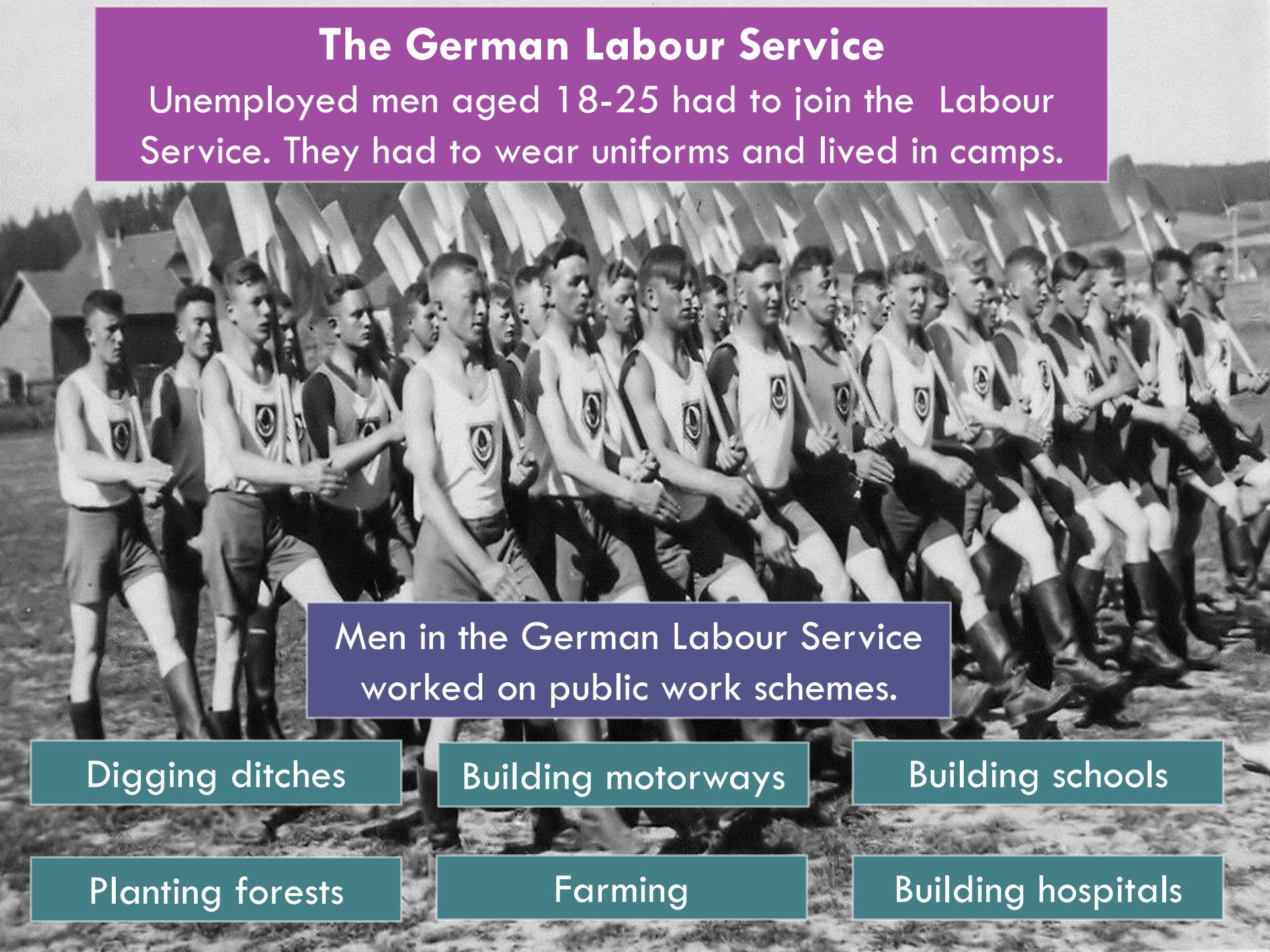
Building motorways

Building schools

Planting forests

Farming

Building hospitals



Dr Robert Ley ran the German Labour Service. Trade Unions were abolished and strikes were made illegal. Workers could not leave a job without permission.



The Nazi Economy

What else was done to control the economy?

The Nazis wanted greater control over workers so that they could make them work harder to achieve Nazi economic goals. Trade Unions were banned and replaced by the **German Labour Front** [DAF]. This was set up to control pay and conditions for workers. The Nazis also controlled where workers worked by setting up the **National Labour Service** (RAD). Men aged 18-25 worked on public works schemes digging ditches on farms and building the new autobahns. The men of the RAD wore a military style uniform, lived in camps near to where they were working and received only what we would term pocket money.

REARMAMENT

Hitler ordered the building of aircraft, tanks, battleships and submarines, at first secretly and then, from 1935, openly. This military build-up provided work in factories, ironworks, coal mines and other industries. Hitler also increased the size of the army, from 100,000 in 1933 to 1,400,000 by 1939. The rearmament campaign also helped to reduce unemployment. The German people were given a choice by Goering – ‘**Guns or butter**’.

One of the many cruise ship holidays organised by the **Strength Through Joy** [KdF] scheme for the workers by the Nazis.



The People's Car

The Volkswagen was the 'people's car' and every worker was told that they could have one.

Workers were given a savings cards.



Workers were encouraged to save 5 Marks a week for a Volkswagen by buying stamps.

The scheme was part of the 'Strength Through Joy' – KdF scheme.

How were workers affected by Nazi economic policies?

Nazi policies for workers were that they should do as they were told, shut up, not complain, and the Nazis would make them happy. All workers had to join the Labour Front. There were no [trade unions](#), so no way of negotiating better wages or conditions. Businesses and employers liked this, of course. Wages were low and hours long, but at least workers now had secure jobs. The standard of living of German workers remained quite low. Hitler wanted to keep the workers happy without giving them higher pay. The Nazis organised '**Strength Through Joy**'. [KdF] This campaign gave workers cheap holidays, foreign cruises, theatre trips, concerts, sporting facilities. The Nazis also promised workers a cheap '**people's car**', the Volkswagen. This was designed, and many workers began to pay for theirs, but none were delivered.

Did Germans benefit from Nazi economic policies?

Yes

Unemployment fell to approximately half a million.

Roads and other buildings improved.

The currency was stable and investment rose.

No

There was a shortage of workers by 1939.

Worker's hours went up to 49 hours per week in 1939.

There were fewer consumer goods as making weapons became the priority.

The Main Points

- ✓ Hitler inherited a huge unemployment problem [6 million].
- ✓ Unemployment was reduced in a number of ways e.g. rearmament, the Labour Service and not allowing women to work in many jobs.
- ✓ Goering was in charge of the Four-Year Plan which started in 1936.
- ✓ Hitler wanted Germany to be ready for war in four years and self sufficient.
- ✓ Trade unions were banned and replaced by the German Labour Front.
- ✓ To keep the workers happy, Hitler organised the Strength Through Joy scheme.
- ✓ Many people benefited from Nazi economic policies although wages in 1938 were lower than in 1928.

