Imperialism and the political economy of the Holocaust

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It is now almost seven decades since Adolf Hitler and the Nazi regime initiated their program for the mass murder of all European Jews. Our sense of the enormity of this crime has not diminished with the passing of time. On the contrary, the significance of the Holocaust is underscored by events now unfolding—wars of imperialist and colonial aggression in the name of a “war on terror”, deepening rivalries between the major capitalist powers and a breakdown of the capitalist economic order recalling the crises of the 1930s out of which the Nazi regime arose.

If these remarks appear controversial they are intended to be, because the Holocaust itself cannot be understood without penetrating the arguments and disputes that surround it—controversies that have contemporary political relevance.

Let me begin, therefore, by pointing to some of the positions I will be seeking to refute in the course of my remarks.

In 1996, the Harvard academic Daniel Goldhagen burst on to the scene with his book Hitler’s Willing Executioners: Ordinary Germans and the Holocaust. The Goldhagen thesis was that the Holocaust was the product of a deep-seated and murderous anti-Semitism lodged within the psyche and outlook of “ordinary Germans.” No investigation of the Nazi movement and its elevation to power was necessary, much less an examination of the social and economic processes that led to the Holocaust. It was simply a product of the anti-Semitism that moved many thousands of ordinary Germans, and would have moved millions more had they been given the chance, to slaughter Jews.

The commercial “success” enjoyed by Goldhagen’s book lay in its superficiality and its appeal to prejudices and simplistic explanations that required neither thought nor critical analysis. It was an expression of the time. This was the “boom” of the 1990s; the market reigned supreme, history had come to an end with the collapse of the Soviet Union and critical thought was not required. The Goldhagen thesis was, nevertheless, opposed from a number of quarters and its crudities quickly exposed.

Take, for example, the claim that the anti-Semitism of Germans as Germans was responsible. If, in the first decade of the twentieth century, the question had been asked: in which country is it most likely that a mass murder of Jews will be organised, the answer, almost certainly, would have been Russia. As for Germany, the historian Robert Wistrich noted that “had there been a Nobel Prize for passionate identification with his book winning it.” [1] Nevertheless, we believe that we have just as clearly recognized that the notion of a “war on terror”, deepening rivalries between the major capitalist powers and a breakdown of the capitalist economic order recalling the crises of the 1930s out of which the Nazi regime arose.

Hate”. The issue, however, is far more complex. What makes the Holocaust so shocking, and so difficult to comprehend, is that it was characterised, in Hannah Arendt’s phrase, by the “banality of evil”. Mass murder was organised through a dispassionate bureaucratic apparatus. And this characteristic has become the basis for an entire school of thought.

Taking as their starting point the bureaucratic and seemingly rational organisation of the Holocaust, adherents of the Frankfurt School maintained that its origins lay in reason itself, in human thought, in the Enlightenment. According to the two founding fathers of this tendency, Max Horkheimer and Theodore Adorno, writing in 1944: “The dilemma that faced us in our work proved to be the first phenomenon for investigation: the self-destruction of the Enlightenment. We are wholly convinced … that social freedom is inseparable from enlightened thought.

According to this outlook, the seeds of the Holocaust are lodged within humanity itself. The works of the Frankfurt School have played a significant role in shaping the outlook of sections of the intelligentsia, especially those who claim to be on the “left”, and, through them, have exerted influence in the fields of art and culture. This year’s Oscar winner Kathryn Bigelow is a case in point. Elaborating on the themes of her first film, Bigelow said that “in the 1960s you think of the enemy as outside yourself, in other words, a police officer, the government, the system, but that’s not really the case at all, fascism is very insidious, we reproduce it all the time.” [3]

These theories serve a very definite social and political purpose. What is the use of striving for the improvement of human civilisation, for a better world, if the very forms of thought that are at the base of such striving contain within them the germs of the kind of social regression and barbarism that manifested themselves in the Holocaust? In the final analysis, the seeds of fascism lie within us all. They will flower if the right conditions prevail.

There is another, no less politically significant, theory of the Holocaust. This is the claim that it did not arise from the contradictions of the capitalist system but simply from the criminal activities of the Nazis, unrelated to the social order they defended. The Nazis were somehow able to capture the German state and then use it to carry out their murderous racist perspective. Accordingly, the German capitalist class cannot be held responsible, because it was subject to the dictates of the Nazis along with the rest of society. In addition to absolving the German ruling elites, this theory has also proved politically useful in the recent period, because it maintains that the lesson to be drawn is that the “world community” must act to prevent the emergence of another Hitler, wherever he might appear.

A laudable aim it might seem. It just so happens, however, that the
views of the “world community” always seem to coincide with the interests of the major imperialist powers. So we find two wars launched against the Saddam Hussein regime in Iraq, on the basis that he was the new Hitler, and a war against Serbia and the regime of Slobodan Milosevic, initiated on the grounds that he was the Hitler of the Balkans. In the 1990s, the German SPD-Green government even invoked the Holocaust to justify military intervention in the old Balkan stamping grounds of German imperialism. Germany, of all nations, it was claimed, knew the lessons of the Holocaust and so intervention had to be organised to prevent another genocide. The crucial role of German imperialism in breaking up Yugoslavia in the 1990s, setting in motion the terrible conflicts that subsequently erupted, was passed over in silence.

In opposition to these theories, this lecture will seek to demonstrate that the coming to power of the Nazis was not a product of the inherent evil in mankind, nor a product of modernism, nor a terrible, inexplicable accident. It was the response of the German capitalist ruling class to the political and social crisis it confronted. Further, I will seek to demonstrate that the war against the Soviet Union launched in June 1941, and the “Final Solution” that arose from it, were the outcome of the program of the Nazis to resolve this crisis in the interests of German imperialism.

Let us turn to the question of how the Nazis came to power in the first place. January 30, 1933, the day Hitler was installed as chancellor by President Hindenburg, was not the culmination of a “struggle for power” by the Nazis. They did not seize power on that day—it was handed to them by the head of the German state, acting on behalf of the German propertied elites, and within the framework of the German constitution.

As Professor Ian Kershaw has rightly commented, Hitler’s own actions were “only of secondary importance in bringing him to power.” His policy of holding out for the highest possible stakes—the chancellorship backed by the authoritarian powers lodged in the office of the president—and his refusal of any compromise, worked out in the end, but “this was a consequence of the actions of others more than of Hitler himself.” [4]

It would go well beyond the time we have available here to trace through all the twists and turns in the political crisis that led to the decision of January 30, 1933. Volumes have been written on this subject. Let me just indicate the main turning points.

In the five years following the conclusion of World War I and the overthrow of the Kaiser on November 9, 1918, Germany was wracked by a series of political crises and revolutionary struggles, culminating in the revolutionary situation that developed in the late summer and early autumn of 1923. But the situation dramatically changed, however, when the German Communist Party (KPD), called off a planned insurrection in October 1923. The aborted revolution created the political conditions for a restabilisation of the German economy and its political system, largely through the inflow of loan capital from the United States. But towards the end of the 1920s, this inflow started to dry up and, by 1928-29, the German economy was entering a significant downturn. The Brüning government fell in May and Hindenburg turned to the Prussian aristocrat Franz von Papen to form a government comprising large sections of the industrial working class, as “social fascists”, and opposed the formation of a united front of workers’ organisations to defeat the Nazi threat. In fighting for the “united front”, Trotsky insisted that it did not mean supporting the Weimar Republic or the leaders of the SPD and other parties as the so-called “lesser evil”, but defending, through definite practical measures, the historic gains of the working class.

“Fascism,” Trotsky explained, “is not merely a system of reprisals, of brutal force, and of police terror. Fascism is a particular governmental system based on the uprooting of all elements of proletarian democracy within bourgeois society. The task of fascism lies not only in destroying the Communist vanguard but in holding the entire class in a state of forced disunity. To this end the physical annihilation of the most revolutionary section of the workers does not suffice. It is also necessary to smash all independent and voluntary organizations, to demolish all the defensive bulwarks of the proletariat, and to uproot whatever has been achieved during three-quarters of a century by the Social Democracy and the trade unions. For, in the last analysis, the Communist Party also bases itself on these achievements.” [5]

Following the September 1930 Reichstag elections, parliamentary rule virtually came to an end. The government of Chancellor Brüning, a member of the Catholic-based Centre Party, ruled by means of a series of decrees backed by President Hindenburg. Brüning’s government was kept in office through the “toleration” of the SPD, on the grounds that a new election would strengthen the position of the Nazis. If the Nazis were in any way able to gain such electoral strength, however, this itself was a product of the SPD’s determination to keep the working class confined to the boundaries of legalism and parliamentarism, and block the development of any revolutionary struggle.

The situation was inherently unstable. The Brüning regime rested on the support of the SPD and trade union bureaucracy, which in turn depended on the sullen and half-hearted support of the working class. But, as Trotsky noted, this system was increasingly unsatisfactory for the dominant sections of the German capitalist class. It was a halfway measure. The problem was that while the working class was suppressed by the social democratic and trade union bureaucracy, the workers’ organisations continued to exist, remaining a potentially powerful threat in the political situation. That threat had to be removed through the destruction of these organisations.

The crisis steadily intensified throughout 1932, the deepest point of the Great Depression. Up to 30 percent of the workforce was unemployed and a series of banks collapsed. The Brüning government fell in May and Hindenburg turned to the Prussian aristocrat Franz von Papen to form a government “above the parties”. New elections were held at the end of July 1932. The Nazis won 37.4 percent of the vote while the SPD and KPD won over 36 percent between them. But, even though the Nazis were the largest single party in the Reichstag, Hindenburg rejected Hitler’s demand that he be installed as chancellor with full powers. Instead, Hindenburg again appointed von Papen. When the new Reichstag was convened on September 21, the Papen regime was censured in a vote of 513 to 32. The Reichstag was dissolved again and new elections were held on November 6. This time the Nazi vote fell by 2 million and the vote of the KPD increased. The next weeks were marked by a series of manoeuvres that culminated in Hitler being brought to power on January 30, 1933.

The most powerful sections of the bourgeoisie were united on the need to dispense with Weimar democracy and crush the organised working
class. However, Hindenburg had refused to install Hitler, because of concerns in the bourgeoisie and the landed elites about handing power to the Nazis—a gang of upstarts and semi-criminal types from the lower orders of society. But, by the end of 1932, it was becoming increasingly apparent that the possible inconveniences of a Nazi regime were being vastly outweighed by the dangers of allowing the political crisis to continue.

For the German bourgeoisie, with the events of 1917-1923 still fresh, social revolution was an ever-present threat, notwithstanding the subservience of the SPD and the political bankruptcy of the KPD.

Paradoxically, one of the factors motivating the decision to place Hitler in power was the significant decline in the Nazi vote at the November elections and the growing signs of crisis within the party. If the petty-bourgeois and peasant masses, who had swung behind the Nazis over the previous two years now began to move away, where would they go? Perhaps towards the KPD. Furthermore, there were signs of an economic recovery, sparking fears that this would bring a revival of workers’ struggles; the Berlin transport workers’ strike of November 1932 was a warning. Under these conditions, the decision was taken to hand power to the Nazis—to “hire” them in the words of von Papen—with a mandate to end the political crisis and establish the kind of regime necessary to meet the demands of German capital and crush the working class.

Throughout the political crisis, the Stalinised KPD and the Comintern in Moscow continued their opposition to the tactic of the united front—that is, to embark on a struggle to win the masses of workers still trapped within the ranks of Social Democracy and bring them towards the KPD, mobilise the independent strength of the working class and so break-up the mass base of the Nazi Party. Political strategy was replaced by bureaucratic ultimatums and empty slogans: “social fascism”, the “united front from below”, “after Hitler our turn” and support for the Nazi-led referendum to try to oust the Social Democratic government of Prussia. As a result, the most powerful, politically developed socialist workers’ movement ever seen, was defeated—the greatest defeat of the working class in history.

One of the most controversial questions surrounding the role of the Nazi Party has been its relationship to German big business. In his book *German Big Business and the Rise of Hitler*, the American historian Henry Ashby Turner goes to considerable lengths to demonstrate that finance from big business was not decisive in the rise and growth of the Nazi Party. Be that as it may, Turner’s own work demonstrates that German big business was deeply hostile to the Weimar Republic and parliamentary democracy, and that it worked for the establishment of an authoritarian regime to crush the working class. When the installation of the Nazis became the only viable option for securing such a regime, big business mobilised its support, providing large amounts of money to the Nazi Party in the March 5, 1933 general election in support of Hitler’s commitment that, whatever the outcome, he would end the Weimar system and eradicate Marxism.

When I was a student in the 1960s, it was widely understood that the coming to power of fascist regimes was a direct response by the capitalist class to the dangers posed by the mass socialist workers’ movement, the most powerful of which had existed in Germany. During the past 25 years or so this understanding has come under sustained attack.

An article published at the end of 2005 by the British historian Michael Burleigh in the right-wing *Weekly Standard* noted: “When I started teaching the history of modern Germany 20 years ago, it was still obligatory to devote considerable attention to Marxist attempts to pin the blame for fascism on this or that element of big business. Much of the literature was by scholars of a leftist disposition, while classes on fascism tended to attract a disproportionate number of students from the radical fringes. Things have moved on since then, it being more common nowadays to discuss Nazism as a species of a ‘racial state’, or even of being a 6] surrogate religion…”[1]

In his own book *The Third Reich: A New History*, published in 2001, Burleigh claimed that the “school of wishful thinking about the relationship between capitalism and fascism” had been comprehensively demolished by Turner. [7] According to Burleigh, Nazism was a kind of “political religion” and its rise to power and the crimes it committed could not be connected to capitalism.

But the question of the relationship between the Nazi movement and big business is far from exhausted simply by the level of funding. The Marxist movement has never maintained that behind the Nazi Party there was some kind of secret cabal of big business leaders pulling the strings. That does not mean, however, that the conceptions and ideology of the Nazi movement were unrelated to the deepest needs and interests of German imperialism.

In turning to the ideology of the Nazi movement and its relationship to German imperialism, let us begin with Hitler’s own explanation of his anti-Semitism. While he sometimes used religious images and references in the course of his campaigns, Hitler’s hostility to the Jews was not grounded on the teachings of the Christian churches. It was rooted in the racist doctrines, developed in the latter part of the nineteenth century, in order to try to counter the growth of mass socialist movements based on the working class. Anti-Semitism was seen as a means of mobilising the petty-bourgeois and peasant masses to suppress the proletariat and subordinate it to the needs of the nation. And that program was most definitely in the interests of German big business and the landed elites.

In *Mein Kampf*, written while he was in jail for his attempted Munich putsch in October 1923—a very comfortable incarceration one should note—Hitler explained how his hatred of the Jews was bound up with his hatred of Marxism.

After struggling to come to grips with the Jewish question in pre-war Vienna, he wrote, the scales dropped from his eyes “when I recognized the Jew as the leader of the Social Democracy.” “As I delved more deeply into the teachings of Marxism ... Fate itself gave me its answer. The Jewish doctrine of Marxism rejects the aristocratic principle of Nature and replaces the eternal privilege of power and strength by the mass of numbers and their dead weight. Thus it denies the value of personality in man, contests the significance of nationality and race, and thereby withdraws from humanity the premise of its existence and its culture.”[8]

As the journalist Konrad Heiden noted in his biography of Hitler, the labour movement did not repel him because it was led by Jews, rather the Jews repelled him because they led the labour movement. It was the socialist Karl Marx who had kindled Hitler’s anti-Semitism. [9]

The Nazi doctrine of the “racial state” was not created by Adolf Hitler. It drew upon a series of racialist theories developed within right-wing academic and political circles in the latter part of the nineteenth century and in the first decade of the 20th. The doctrines of racial inferiority, the necessity for ethnic cleansing, and the struggle to remove or exterminate “degenerate” peoples, which were to provide the ideological basis of the Holocaust, were by no means confined to Germany or Europe. They were discussed in some of the leading institutions in the United States, including its Ivy League universities.

To illustrate this point, let me cite some passages from a book by a highly respected author, Lothrop Stoddard, published in 1922, entitled *The Revolt Against Civilization: The Rise of the Under Man*. Stoddard was a PhD from Harvard whose work was praised by two American presidents, Warren Harding and Herbert Hoover. It was so widely known that it is mentioned in *The Great Gatsby*.

The use of the term Under-Man is significant. One of the words most closely associated with Nazi doctrine is Untermensch. It is most usually translated as “sub-human”, but the literal translation is “under-man”.

In his books—another title to his name is *The Rising Tide of Color Against White World-Supremacy*—Stoddard was dealing with issues much
under discussion at the time, including the threat posed by the lower,
coloured, races and the role of eugenics in improving racial stock. While
these questions had been under consideration for a considerable period, in
the world of the 1920s a new factor had emerged: the Russian Revolution
of 1917 and the emergence of Bolshevism as the greatest danger to
civilisation.

Stoddard was a vicious opponent of equality. Inequality, he wrote, was
based in nature. Civilisation was only possible for certain races. Not only
that, the presence within society of races not capable of achieving
civilisation was a threat to society itself. Linked to these conceptions was
the so-called science of eugenics or “race betterment”, which had
far-reaching implications for social organisation.

According to Stoddard: “The multiplication of superiors is a process of
race building; the elimination of inferiors is a process of race cleansing. …
Race cleansing is the obvious starting point for race betterment.” Race
betterment was bound up with the concept of degeneracy. “Degeneracy is
… a cancerous blight, constantly spreading, tainting and spoiling sound
stocks, destroying race values, and increasing social burdens. In fact,
degeneracy not only handicaps society but threatens its very existence. …
We … see that our social ills are largely the product of degeneracy, and
that the elimination of the degenerate would do more than anything else
to solve them. But degeneracy can be eliminated only by eliminating the
degenerate. And this is a racial not a social matter. … Unfit individuals as
well as unjust social conditions must be eliminated.”[10]

The Under-Man was an enemy of civilisation because nature herself had
deemed he could not attain it. But now the Under-Man, the opponent of
progress and civilisation, had acquired a champion.

“The significance of Syndicalism and its outgrowth Bolshevism can
hardly be overstated. It is no exaggeration to say that it is the most
terrible social phenomenon that the world has ever seen. In Syndicalism
we have for the first time in history a full-fledged philosophy of the
Under-Man—the prologue of that vast revolt against civilization which,
with Russian Bolshevism has actually begun. … This philosophy of the
Under-Man is today called Bolshevism.”[11]

Bolshevism was the arch-enemy of civilisation and race, it threatened to
“degrade every fiber of our being” and ultimately “hurl a barbarized,
racially impoverished world into the most debased and hopeless of
mongrelizations.” Therefore, Bolshevism had to be crushed “no matter
what the cost.”

And, like many others, including Winston Churchill, Stoddard noted the
important role played by Jews in all social revolutionary movements,
“from the time of Marx and Engels down to the largely Jewish Bolshevist
regime in Soviet Russia today.”[12] All the key elements of the racial
biology of the Nazis and its murderous implications are present here.

Other key components of the Nazi program, those specifically referring
to the German situation, had been developed in right-wing circles over the
preceding three decades.

In 1901, the term Lebensraum, or living space, which was to occupy
such a central place in Nazi ideology, was coined by the writer Friedrich
Ratzel. He maintained that the development of a people was conditioned
by its capacity to expand, and that a healthy people had to have room to
grow and develop. According to Ratzel, it was necessary for Germany, in
the interests of racial health, to have colonies, like the other colonial
powers, France and Britain.

While Ratzel wrote of the need for colonies, others turned to the
continent of Europe as the space for expansion. The problem with trying
to acquire colonies was that Germany continually ran up against its rivals.
Instead of overseas colonies, sections of the military, imbued with the
racialist outlook so prevalent in ruling circles, looked closer to home. In a
book published in 1912, General Friedrich Bernhardi insisted that war
was a “biological necessity” for without war “inferior or decaying races
would easily choke the growth of healthy budding elements, and a
universal decadence 13] As would the following
10. discovery in the 1960s—amid furious opposition from the German
academic history establishment—the German military had drawn up a plan
in September 1914 for the acquisition of large swathes of territory in
Europe, including in the East. The “Fischer thesis” sparked intense
controversy because it established the essential continuity between the
foreign policy aims of Imperial Germany in World War I and those of the
Nazi regime.

In Mein Kampf, Hitler linked together the doctrines of race,
anti-Semitism, Lebensraum and the struggle against Bolshevism. Russian
Bolshevism, he insisted, had to be regarded as Jewry’s attempt to achieve
world rule in the twentieth century. The struggle against Jewish
world-bolshevisation therefore required a clear attitude toward Soviet
Russia. And this was itself bound up with the expansion of the German
Reich—the drive for Lebensraum. The nation had to be strengthened, not
through overseas colonisation, but by the acquisition of territory that “will
enhance the area of the mother country.” Drawing these themes together
in his discussion of “eastern policy” Hitler wrote: “We stop the endless
German movement to the south and west, and turn our gaze towards land
in the east … If we speak of soil in Europe today, we can primarily have in
mind only Russia and her vassal border states.”

Because Soviet Russia was led by Jews, Germany had the right to
conquer it: “For centuries Russia drew nourishment from this Germanic
core of its upper leading strata. Today it can be regarded as almost
entirely exterminated and extinguished. It has been replaced by the Jew.
Impossible as it is for the Russian by himself to shake off the yoke of the
Jew by his own resources, it is equally impossible for the Jew to maintain
the mighty empire forever. He himself is no element of organization, but a
ferment of decomposition. The Persian empire in the east is ripe for
collapse. And the end of Jewish rule in Russia will also be the end of
Russia as a state. We have been chosen by Fate as witness of a
catastrophe which will be the mightiest confirmation of the soundness of
national racial theory.”[14]

Lest anyone think that these conceptions of conquest and colonisation
were just the outcome of the ravings of Hitler, let us point out that they
were firmly grounded in very contemporary events. When World War I
ended in November 1918 there were no foreign troops on German soil
and the Reich held vast areas of the Ukraine, along with parts of Russia.
The starting point for Hitler’s perspective of an empire based on conquest
in the East was the territory that had been seized by Germany under the
terms of the Treaty of Brest-Litovsk, which the Soviet government had
been forced to sign on March 3, 1918. The extent of land seized by
Germany can be seen on the map below.

Hitler’s conceptions of empire and Lebensraum were further concretised
in his unpublished Second Book written in 1928. Here we find his
examination of the implications of the second great change in the
post-World War I world—the rise to economic dominance of the United
States. In 1914, the US had still been a debtor nation. A decade later it
had become the world’s chief financial power.

In his Second Book, Hitler reviews the need for Lebensraum in the
context of the global economic dominance of the United States and the
pressure this placed on Europe. European conceptions of the standard of
living were now being determined, not only by its own economic
possibilities, but also by what prevailed in the United States. There was,
however, a major difference. The US economy rested on a much larger
internal market.

The prospects for the German people within the existing order were
bleak, Hitler wrote, because even if the borders of 1914 were restored—the
demand of all the right-wing movements based in the German military
and propertied elites—this would not be sufficient to ensure a living
standard comparable to that of America. Germany would be driven into
the struggle for world markets as she had been in 1914.
German acquisition of increased export markets through competition was not a viable road to prosperity, Hitler insisted, because, quite apart from the fact that all the European powers were striving to do likewise, America was now, in many areas, the stiffest competitor.

“The size and wealth of its internal market,” Hitler wrote, “permits production levels and thus production facilities that decrease the cost of the product to such a degree that, despite the enormous wages, underselling no longer seems at all possible. The development of the automotive industry can serve as a cautionary example here. It is not only that we Germans, for example, despite our ludicrous wages, are not in a position to export successfully against the American competition even to a small degree; we must watch how American vehicles are proliferating even in our own country. This is only possible because of the size of the internal American market and its wealth of buying power and also, again, raw materials guarantee the American automobile industry internal sales figures that alone permit production methods that would simply be impossible in Europe due to lack of internal sales opportunities.”[15]

In other words, as the historian Adam Tooze has noted, Fordism—at that point the highest development of labour productivity and therefore of capitalist profitability—required Lebensraum.

The previously developed racial doctrines were now integrated into a perspective that saw the key task as developing the economic capacity of Germany, and Europe as a whole, to challenge the dominance of the United States. The answer lay not in some kind of pan-European movement—that was, Hitler insisted, a puerile Jewish conception. European unification had to be carried out on the basis of a struggle waged by the strongest state, in the way that Rome had conquered the Latin states and Prussia had forged the German Reich.

“In the future,” Hitler wrote, “the only state that will be able to stand up to North America will be the state that has understood how—through the character of its internal life as well as through the substance of its external policy—to raise the racial value of its people and to bring it into the most practical national form for this purpose. … It is … the duty of the National Socialist movement to strengthen and prepare our own fatherland to the greatest degree possible for this task.”[16]

When Hitler wrote these lines in 1928 they may have appeared somewhat remote from the policies of the German ruling class … on the extreme right wing fringe. The policy of Gustav Stresemann, the leading bourgeois politician in the Weimar Republic, was to seek the restoration of Germany’s position as a European and world power through participation in the world market under the political and economic auspices of the United States. But the situation was about to change dramatically. The year 1928 was to be the last of the short-lived post-war expansion. In the space of just two years the world market virtually disintegrated. Capital flows ceased, tariffs were erected and the bourgeoisie of every country turned increasingly to nationalist solutions.

By the beginning of the 1930s, the two key doctrines of the Nazi movement—the need to purge Germany of Marxism and the pursuit of a nationalist economic program based on Lebensraum—were meeting up with the political orientation of growing sections of the German ruling elites.

As Adam Tooze has noted: “The originality of National Socialism was that, rather than meekly accepting a place for Germany within a global economic order dominated by the affluent English-speaking countries, Hitler sought to mobilise the pent-up frustrations of his population to mount an epic challenge to this order. Repeating what Europeans had done across the globe over the previous three centuries, Germany would carve out its own imperial hinterland; by one last land grab in the East it would create the self-sufficient basis for both domestic affluence and the platform necessary to prevail in the coming superpower competition with the United States.”[17]

Writing just five months after the installation of Hitler, Trotsky charted the course of the Nazi regime. The Nazis had come to power through their ability to mobilise the enraged and disoriented petty-bourgeoisie. The old parties of the bourgeoisie had collapsed but the parties of the working class could provide no way out of the crisis of capitalist society. The Social Democracy had committed itself to the defence of the bourgeois order and parliamentarism against socialist revolution, while the Communist Party had summoned the masses to revolution, but had been completely unable to carry it out.

Under these conditions, the Nazis were able to turn the illusions and delusions of the petty-bourgeoisie into a political program and come to power. But once in power, Trotsky wrote, Hitler’s tasks were determined by the interests of monopoly capital: “The compulsory concentration of all forces and resources of the people in the interests of imperialism—the true historic meaning of the fascist dictatorship—means preparation for war; and this task, in its turn brooks no internal resistance and leads to a further mechanical concentration of power.”[18] Fascism could not be reformed or retired from service, it would only be overthrown by war or revolution. In a later postscript Trotsky noted that the date of a new European catastrophe would be determined by the time necessary for the rearming of Germany. That was not a question of months, but neither was it a question of decades. In a few years Europe faced the prospect of again being plunged into war.

The unprecedented character of the Nazi regime has led to the assertion, repeated over and over again, that to somehow characterise it, as Trotsky did, as a regime of monopoly capital, is nothing but an example of Marxist “crudity”. Rather, it is argued, it was the Nazi regime that dictated its policy agenda to big business, in accordance with its political and racist goals. This is a particularly politically convenient argument, because it means that monopoly capital cannot be held responsible for the horrors of the Hitler regime. It, along with every other section of society, was subjected to the Nazi dictatorship.

Let me make clear from the outset: I am not suggesting that the leaders of big business somehow directly dictated the policy agenda of the Hitler regime. No capitalist government operates in this way. But, that being said, it was certainly a regime of monopoly capital.

We can perhaps understand more clearly the complexities involved if we turn to the situation in the United States at this time. No one is in any doubt today that the administration of Franklin Roosevelt played an absolutely decisive role in defending American capitalism against socialist revolution in the 1930s. As Roosevelt insisted—against his many detractors in leading bourgeois circles—there was no one more committed than he to the defence of capitalism. Nevertheless, at the time, many claimed that the New Deal represented a new political economy that had somehow gone beyond capitalism. Roosevelt was regularly denounced for his “socialistic” and “communistic” measures. But whatever Roosevelt’s conflicts with big business at certain points, his administration was, in the most profound sense, a regime of monopoly capital, just as was the Nazi regime in Germany.

All governments have a degree of relative independence from the monopolies, banks and big business that dominate the national economy. But the nature of any regime is determined by the class interests it serves. In the case of the Nazi state, facts and figures make the issue very clear. For example, the share of profits in national income is estimated to have increased by 36 percent between 1933 and 1939, while wages experienced a 5 percent drop. Real wages fell by about 25 percent as independent unions were abolished, along with collective bargaining and the right to strike. The wages for a skilled worker were around 81 pfennigs per hour in 1942, compared to 95.5 pfennigs in 1929. The Nazi state defended capitalist property to the hilt, even reversing some of the nationalisation measures of previous governments.

The claim that the Nazi regime was not an instrument of monopoly capital is often coupled with the position that, under Nazi rule, the laws of
capitalist economy no longer applied. This was advanced in 1941 by a leading member of the Frankfurt School, Friedrich Pollock, in a highly influential essay entitled “State Capitalism: Its Possibilities and Limitations”.

Pollock based his analysis on the fact that the allocation of resources in the Nazi economy was increasingly determined not by the market but by directives from the state and its planning authorities. With the end of the market “the so-called economic laws disappear,” he claimed. Such a situation had far-reaching implications. It meant that the Nazi regime was free of the contradictions that had erupted in the world capitalist system.

“Economic problems in the old sense,” Pollock wrote, “no longer exist when the coordination of all economic activities is effected by conscious plan instead of by the natural laws of the market.”[19] Under the new economic order, the profit motive had been replaced by the power motive.

Pollock based his argument on the disappearance of the capitalist market as the central mechanism for the allocation of resources. But that was not primarily a result of the actions of the Nazis. Before they came to power, the world capitalist market had, to all intents and purposes, ceased to function. Trade had been restricted by tariffs, special agreements and currency zones, while the flow of international capital had all but ceased. The measures taken by the Nazis were developed in response to this situation and the crises, especially in the German balance of payments, that it produced.

Rather than politics replacing economics, the economic contradictions of German capitalism drove the political agenda of the Nazi regime, the essence of which was, in Trotsky’s words, to concentrate all the resources of the people in the service of imperialism and to prepare for war.

The collapse of the world market meant that the dynamism of German capitalism could find no international outlet. Neither could it be confined to the limited national economy of Germany itself. It had to push outwards to re-organise the European economy. But how? By military means. By the second year of Hitler’s government, military spending accounted for more than 50 percent of all government spending on goods and services. By 1935, the proportion had increased to 73 percent. Between 1933 and 1935 the share of military spending in German national income increased from 1 percent to almost 10 percent—an increase never before witnessed in any capitalist state in peacetime. [20]

Pollock’s thesis was an impressionistic response to the apparent economic stability that had resulted from the boost to the German economy provided by militarisation. However this stability did not signify that the contradictions that had led to the Great Depression had been overcome. On the contrary, they would erupt in new forms—this time in imperialist war.

Here it is necessary to delve, even if only briefly, into certain theoretical questions of political economy. Military spending can provide a boost to a stagnant economy by lifting effective demand and employment. But the driving force of the capitalist economy is neither the production of consumption goods nor the provision of employment. It is the accumulation of surplus value—the source of the expansion of capital. From this standpoint, military spending, while providing large profits for individual capitalists, involves the consumption of surplus value. Investment in capital goods—raw materials, machinery and new technology etc.—is productive precisely because this capital is used to extract surplus value from the working class in the process of production. Military spending does not produce capital goods. It is the economic equivalent of the bourgeoisie’s expenditure on luxury goods.

Whether it operates under conditions of free competition, monopoly price-fixing or state regulation, every capitalist economy is engaged in the accumulation of surplus value. From the very formation of the unified German state in 1871, the source of surplus value for German capital was the production of goods for sale on the world market. This dependence on world economy was, and remains, a fundamental characteristic of German capital. Today, for example, its exports comprise some 47 percent of GDP, a bigger proportion even than in China.

But in the 1930s the world market had collapsed. The national economy was hauled out of the depths of Depression through military spending. However that did not resolve the problem of capitalist accumulation—rather, it exacerbated that problem. How and where were the resources to be obtained to ensure the continued accumulation of capital in Germany? Through military conquest. This was the dynamic that led to war. And war, above all the war in the East against the Soviet Union, created the conditions for the Holocaust.

Hitler directly referred to the economic imperative for war in a number of speeches. It was the central theme of the monologue he delivered to military officers on November 5, 1937, recorded in the Hossbach Memorandum. In a speech to armed forces’ commanders days before the attack on Poland in September 1939, he again referred to economic pressures. It was, he said, easy for Germany to make decisions: “We have nothing to lose; we have everything to gain. Because of our restrictions, our economic situation is such that we can only hold out for a few more years. Göring can confirm this. We have no other choice, we must act.”[21]

The Nazis’ invasion of Poland was followed by several months of “phony war”. Then came the invasion of France, the expulsion of British forces at Dunkirk, and the capitulation of France in June 1940. A year later, on June 22, 1941, Hitler turned to the East to fulfil the goals for which his regime had been preparing—the conquest and colonisation of the Soviet Union.

Hitler made it clear that the war against the Soviet Union was different from that being waged against Britain and France. Its aim was not simply the defeat of the Soviet armies, but the colonisation of Soviet territory and its complete economic and social reorganisation in line with the needs of the German state.

On September 17, 1941, when it appeared that the Soviet Union would soon fall, Hitler expounded on the aims of the invasion: “The struggle for hegemony in the world is decided for Europe by the possession of Russian territory; it makes Europe the place in the world most secure from blockade. … The Slavic peoples … are not destined for their own life. … The Russian territory is our India, and just as the English rule India with a handful of people, so will we govern this, our colonial territory. We will supply the Ukrainians with headscarves, glass chains as jewelry, and whatever else colonial peoples like.”[22]

On other occasions Hitler likened the conquest of the Soviet Union to the colonisation of the American West. The Volga would be the equivalent of the Mississippi, the Slav population would be cleared like the native Americans had been and replaced with a “superior” population. Europe—and not America—would be the land of unlimited opportunities.

The colonial theme was taken up by Nazi economics minister Walther Funk at a conference in Prague in December 1941. Delivering the keynote address, he explained: “The old Continent is getting a new face, and it is turning that face to the East. Economically, that means a turn away from the … overseas and colonial-oriented policy of Anglo-Saxon naval power. The vast territories of the European East, rich in raw materials and not yet opened up for Europe, will be Europe’s promising colonial land of the future.” [23]

Rosa Luxemburg had pointed to the relationship between the colonial violence of all the imperialist powers and the horrors unleashed in Europe during World War I in her Junius pamphlet, published in 1915.

“The world war is a turning point. For the first time, the ravenous beasts set loose upon all quarters of the globe by capitalist Europe have broken into Europe itself. A cry of horror went through the world when Belgium, that precious jewel of European civilization, and when the most august cultural monuments of northern France fell into shards under the impact of the blind forces of destruction. This same ‘civilized world’ looked on
passively as the same imperialism ordained the cruel destruction of ten thousand Herero tribesmen and filled the sands of the Kalahari with the mad shrieks and death rattle of men dying of thirst; the ‘civilized world’ looked on as forty thousand men on the Putumayo River [Columbia] were tortured to death within ten years by a band of European captains of industry, while the rest of the people were made into cripples; as in China where an age-old culture was put to the torch by European mercenaries, practised in all forms of cruelty, annihilation, and anarchy; as Persia was strangled, powerless to resist the tightening noose of foreign domination; as in Tripoli where fire and sword bow’d the Arabs beneath the yoke of capitalism, destroyed their culture and habitations. Only today has this ‘civilized world’ become aware that the bite of the imperialist beast brings death, that its very breath is infamy. Only now has the civilized world recognized this, after the beast’s ripping talons have clawed its own mother’s lap, the bourgeois civilization of Europe itself.”[24]

The attempted conquest of the Soviet Union was even more than a colonial war. It was a social counter-revolution as well. For Hitler, conquest and colonisation necessitated not only the overturn of the state established by the 1917 October Revolution, but the eradication of the social and intellectual forces—above all the “Jew-Bolsheviks”—that had led it and sustained the Soviet state. The war in the East was, therefore, in every sense a Vernichtungskrieg—a war of destruction and extermination. This is the source of the Holocaust.

The orders given by Hitler and other Nazi leaders to the army and its accompanying special forces (Einsatzgruppen) made clear that simultaneous with the war, there was to be a murderous campaign against the Jews.

On March 3, 1941 Hitler told Alfred Jodl, Chief of the Operations Staff of the Armed Forces High Command, that the imminent military campaign was not simply a question of weapons, but a conflict of two worldviews: “The Jewish-Bolshevik intelligentsia, the ‘suppressor’ of these peoples until now, must be removed.”

Hitler outlined the tasks of the SS units: “The intelligentsia put in by Stalin must be exterminated. The controlling machinery of the Russian empire must be smashed. In Great Russia force must be used in its most brutal form.”

On March 30, 1941 Hitler addressed a meeting of 200 military officers on the coming war. Notes of the meeting read: “Clash of two ideologies. Crushing denunciation of Bolshevism, identified with asocial criminality. Communism is an enormous danger for our future. A communist is no comrade before or after the battle. This is a war of destruction. If we do not grasp this, we shall still beat the enemy, but 30 years later we shall again have to ﬁght the communist foe. We do not wage war to preserve the enemy … War against Russia. Extermination of the Bolshevik Commissars and the communist intelligentsia. … This will be a very different war from the war in the west. In the east, harshness today means lenience in the future. Commanders must make the sacriﬁce of overcoming their personal scruples.” A note at the end of this minute reads: “Noon: All invited for lunch.”

A document drafted in the top levels of the military on the kind of measures needed to pacify the conquered territory stated: “In this connection it must be established that beyond the usual military resistance this time the troops will encounter, as an especially dangerous element from the civilian population disruptive of all order, the carriers of the Jewish-Bolshevik worldview. There is no doubt that wherever he can, he will use his weapon of disintegration deviously and from behind against the German military engaged in battle or pacifying the land. The troops therefore have the right and obligation to secure themselves fully and effectively against these disintegrative powers.”

The opening section of the instructions on guidelines for the behaviour of German troops stated: “Bolshevism is the deadly enemy of the national socialist German people. This disintegrative worldview and its carriers must be combated by Germany. This struggle demands ruthless and energetic measures against bolshevist agitators, guerrillas, saboteurs, Jews, and complete elimination of any active or passive resistance.”[25]

What this meant in practice was demonstrated at Babi Yar, a ravine just outside the Ukrainian capital, Kiev, on September 29–30, 1941, when 33,771 Jews were shot to death following a guerrilla attack on German troops. By the end of 1941 up to 800,000 Jews—men, women and children—had been murdered in the drive to the East, an average of around 4,200 per day. Whole areas were reported to be “free of Jews”. At the same time, Soviet prisoners of war were dying at the rate of 6,000 per day. By the spring of 1942, of the 3.5 million soldiers taken prisoner by the Wehrmacht, more than 2 million had died.

As the year 1941 drew to a close, these murderous operations entered a new stage. Preparations began for the mass killing of Jews by gassing in concentration camps. Sometime between the invasion of the Soviet Union and the end of the year—the exact time is still the subject of considerable debate—the decision was made that the “Final Solution” of the Jewish question would be achieved through mass murder. Previously, a plan to send Jews to the island of Madagascar had been considered, but that was now ruled out with the Nazis’ failure to defeat Britain and thereby secure naval supremacy. Another plan was to deport Jews to east of the Urals, into Siberia. But the Soviet Union still had not been conquered. These plans envisaged considerable loss of life. But a plan for the organised mass murder of all Jews living in Nazi-controlled Europe had not yet been put in place.

By the time of the infamous Wannsee conference of January 20, 1942, however, the decision had been made. It was not taken at Wannsee. The conference was convened and chaired by Reinhard Heydrich, the chief of the Reich Main Security Office, which had oversight over the Gestapo and other security and police agencies. The purpose of the conference was to inform the German state bureaucracy of a decision that had already been taken and to settle the definition of who was to be classified as a Jew. The mass murder plan was put into effect and it continued until the last days of the war.

The death toll still defies comprehension: Auschwitz 1.4 million, Belzec 600,000, Chelmo 320,000, Jasenovac 600,000, Majdanek 380,000, Maly Trotnets 65,000, Sobibor 250,000, Treblinka 870,000. Altogether, some six million Jews were killed, approximately two-thirds of the Jewish population in Europe. [26]

We have insisted that the origins of this mass murder lie in the economic contradictions of German imperialism and world capitalism as a whole. But immediately one hears objections. How is a Marxist interpretation of the Holocaust possible when obviously Nazi ideology, not economic forces, played the key role? What possible economic motivation could there have been in using much needed transport and other resources to shift Jews hundreds of kilometres to be killed? And surely it would have been much more advantageous, both from an economic and a military standpoint, to have exploited the labour of the Jews. According to these objections, the racist ideology of the Nazis was the driving force of the system of mass murder, to which everything else, including economics, was subordinated.

Let us begin by noting that we cannot simply accept the racist ideology of the Nazis as fixed and given. It must itself be explained. The biological racism of the Nazis provided the ideological framework for the mass murder of the Jews, which was regarded as a “cleansing” and strengthening of civilisation itself. But where did this ideology come from? It did not simply spring from the fevered mind of Hitler. Biological racism was a key component of the ideology of the ruling capitalist elites of Europe and the US in their drive to colonise. In 1919 all the leaders of the so-called democratic powers agreed to strike out from the Versailles Treaty a clause that recognised racial equality. The biological racism of Hitler and his cohorts was only the most extreme version of an ideology
that had developed in the nineteenth century as the major capitalist powers set about constructing their colonial empires—a project in which economic interests most decidedly played a crucial role.

One of the most frequently employed caricatures of Marxism is the claim that it argues that ideology is just a cover for the real economic motivations of social actors. Accordingly, Marxism is “disproved” by the discovery that individuals act, not according to economic motives but on the basis of powerful ideologies. For example, the right-wing British historian Niall Ferguson maintains that since no business interests on either side of the conflict desired World War I—it served the immediate economic interests of neither—its origins cannot be said to lie within the capitalist economic system. It should be noted, in this regard, that no business or financial interests want recession either. But recessions nevertheless occur, and they arise from the contradictions of the capitalist economy.

Marxism does not deny that historical actors are motivated and driven into action by their ideological conceptions, and it does not claim that these ideologies are simply a rationalisation for the real economic motivations. However, it does insist that it is necessary to examine the motives behind the motives—the real, underlying, driving forces of the historical process—and to make clear the social interests served by a given ideology—a relationship that may or may not be consciously grasped by the individual involved.

The mass murder of the Jews was carried out by the Nazis on the basis of a racialist ideology that saw the “Jew-Bolshevik” as the chief threat to the stability of the racial community, the Volksgemeinschaft, that the Nazis were seeking to construct. The survival and prosperity of the German race, indeed of European civilisation itself, they insisted, depended on two things: eradicating judeobolshevism and acquiring Lebensraum. These two ideological conceptions came together with explosive force in the war of conquest in the East.

The Nazi regime’s outlook was summed up in a statement by Paul Karl Schmidt, the press chief of the German Foreign Office, in 1943: “The Jewish question is no question of humanity and no question of religion, but a question of political hygiene. Jewry is to be combated wherever it is found, because it is a political infectant, the ferment of disintegration and death of every national organism.”[27]

The war aims of Nazi Germany were to create in Central and Eastern Europe a great colonial empire based on the domination of the Aryan race. The stability of this regime required the removal of the Jews, who threatened it by their very anti-national existence and their affinity to Bolshevism, and whose very presence fuelled the opposition of “inferior races”. If the Jews could not be physically removed they had to be exterminated.

In the afterword to his book If This is a Man, Auschwitz survivor, Primo Levi, writes that reductive explanations of the Holocaust fail to satisfy him because they are not proportionate to the facts: “I cannot avoid the impression of a general uncontrolled madness that seems to me unique in history.” Levi adds, however, that while he considers it impossible to understand the Nazi poison “we can and must understand from where it springs.”[28]

Levi’s comments strike a chord. How can one “understand” a program of mass murder that continued to take Jews from all parts of Nazi-occupied Europe, in order to kill them, right to the very last days of the war, when the Nazis had no prospect of victory? But consider another historical situation. Can we “understand” the orders of World War I commanding officers to send young men, boys many of them, continually “over the top”, knowing that they would be mown down by murderous machine-gun fire without any possibility of making an advance. It may be impossible to “understand” such decisions, but we certainly know their source—the war for profit and imperial conquest that erupted on August 4, 1914.

Likewise we know and can understand the source of the Nazi movement and its program of extermination. It served the interests of the German bourgeoisie on two fronts: the destruction of the German workers’ movement, the largest, most powerful and politically-developed workers’ movement the world had ever seen; and the rehabilitation of German imperialism after World War I in order to pursue its project, started in World War I, of an empire in the East. No one, I venture to suggest, would be so foolish or ideologically blind as to suggest that this program was not rooted in the economic interests of German capital.

It may well be argued that the economic interests of German capitalism did not require the mass murder of the Jews. But the position of the German ruling elites cannot be considered outside of history—outside of time and space. Historical developments meant that German imperialism had to turn to the Nazi movement as the organiser and national leader of its program. And the Nazi movement, so necessary to German imperialism, in turn was based on a racialist program that led to the mass murder of European Jewry.

Replying to critics of his theory of historical materialism, Marx noted that while they granted that it applied to present-day (nineteenth century) society, where material interests were preponderant, it was not true for the Middle Ages, dominated by Roman Catholicism, or Athens or Rome, which were dominated by politics. That was all very well, Marx replied, pointing out that he, too, was well aware of the nature of the Middle Ages and of Athens and Rome, but the fact remained that society in the Middle Ages could not live on Catholicism, any more than Athens and Rome could live on politics. “On the contrary,” he wrote, “it is the manner in which they gained their livelihood which explains why in one case politics, in the other case Catholicism, played the chief part.”[29]

Let us extend this analysis to examine the question of anti-Semitism and the class interests that it serves. In feudal society, the Jews presented a significant problem for Catholic theology, and Christian theology in general. They were not pagans. They had heard the word of God, but they had rejected Jesus Christ. However, they were the root from which Christianity had developed. Theologically, therefore, they constituted a threat to the teachings of Christianity. They had to be separated out from the rest of society. This separation was extremely important for feudal society. The Jews had heard the teachings of Christ but had rejected them. This living rejection was highly dangerous, because exploitation of the peasantry by the lords, the princes and the Church itself rested not just on force, but on the ideology supplied by Christianity, which maintained that class relations were ordained by God. The Christian anti-Semites of this period were acting on the basis of ideology, theology, but their anti-Semitism performed a vital role in maintaining the class relations of feudal society and its particular mode of exploitation of the producers.

Now consider the Nazi regime. It was dominated by conceptions of biological racism and nationalism that found their consummate expression in murderous anti-Semitism. But German capitalism could not live on biological racism and anti-Semitism, any more than feudal society could live on Catholicism. German capital could only live, expand, grow stronger, and defeat its competitors through the appropriation and accumulation of surplus value. This required the destruction of the workers’ movement and the construction of an empire. The Nazi movement and its murderous program were the means to this end. This is the political economy of the Holocaust.

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