

Hitler's Confidential Memo on Autarky (August 1936)

Abstract

Although the name of Hitler's party suggests a socialist management of the economy, he did not advocate a specific economic doctrine in the traditional sense. Nonetheless, the fundamental goal of his policies, namely a war of conquest in Eastern Europe, necessitated the organization of a wartime economy. This meant that even during peacetime Hitler had to systematically orient the national economy toward a coming military conflict. As long as German private industry continuously increased its efficiency and productivity and made itself available for general war preparations, Hitler had no intention of doing away with it. But despite the progress that had been made in these areas during the first years of the Nazi regime, Hitler still faced numerous supply shortages that could not be remedied. In this confidential memorandum from August 1936, Hitler explains why he believed it was necessary from an ideological-military standpoint for the German economy to achieve autarky (self-sufficiency) within four years. His comments became the basis of the so-called Four-Year Plan, which began in October of that year. Under the direction of Hermann Göring, the new plan for economic management aimed specifically to centralize the mobilization of labor, restrict imports, impose wage and price controls, and allocate and synthesize raw materials. In the process of achieving these goals, Göring also systematized the exploitation and expropriation of the Jewish population.

Source

The Political Situation

Politics are the conduct and the course of peoples' [*der Völker*] historical struggle for life. The aim of these struggles is the assertion of existence. Even idealistic ideological struggles [*Weltanschauungskämpfe*] have their ultimate cause and are most deeply motivated by nationally [*völklich*] determined purposes and aims of life. Religions and ideologies are, however, always able to impart particular resolve to struggles of this kind, and therefore also to give them great historical impressiveness. They leave their imprint on the content of centuries. In such cases it is not possible for peoples and States living within the sphere of such ideological or religious conflicts to dissociate or exclude themselves from these events. Christianity and the migration of peoples determined the historical content of centuries. Mohammedanism, too, convulsed the Orient, and with it the Western world, for half a millennium. The Reformation caught the whole of Central Europe in its wake. Nor was it possible for individual States—either by skill or by deliberate non-participation—to steer clear of events. Since the outbreak of the French Revolution, the world has been moving with ever increasing speed towards a new conflict, the most extreme solution of which is called Bolshevism, whose essence and aim, however, is solely the elimination of those strata of mankind which have hitherto provided leadership, and their replacement by world-wide Jewry.

No State will be able to withdraw or even remain at a distance from this historical conflict. *Since Marxism, through its victory in Russia, has established one of the greatest empires in the world as an initial base for its future operations, this question has become a menacing one. Against a democratic world ideologically rent within itself stands a unified, aggressive will founded upon an authoritarian ideology.* The means of military power available to this aggressive will are meantime increasing rapidly from year to year. One has only to compare the Red Army as it actually exists today with the expectations of the military 10 or 15 years ago to realize the menacing extent of this development. Only consider the results of a further development over 10, 15, or 20 years and think what conditions will be like then!

Germany

Germany will, as always, have to be regarded as the focal point of the Western world in face of the Bolshevist attacks. I do not regard this as an agreeable mission but rather as a handicap and encumbrance upon our national life regrettably resulting from our position in Europe. We cannot, however, escape this destiny.

Our political situation results from the following:

Europe has at present only two States which can be regarded as standing firm in the face of Bolshevism: Germany and Italy. The other countries are either undermined through their democratic form of life, infected by Marxism, and thus likely themselves to collapse in the foreseeable future, or ruled by authoritarian governments whose sole strength lies in their military means of power. However, this means that such countries, being obliged to secure the existence of their leadership in face of their own peoples by means of the armed hand of the Executive, they are unable to direct this armed hand outwards for the preservation of their domains. All these countries would be incapable of ever conducting a war against Soviet Russia with any prospects of success. In any case, apart from Germany and Italy, only Japan can be regarded as a Power standing firm in the face of the world peril.

It is not the aim of this memorandum to prophesy the time when the untenable situation in Europe will become an open crisis. I only want, in these lines, to set down my conviction that this crisis cannot and will not fail to arrive and that it is Germany's duty to secure her own existence by every means in the face of this catastrophe, and to protect herself against it, and that from this compulsion there arises a series of conclusions relating to the most important tasks that our people have ever been set. *For a victory of Bolshevism over Germany would not lead to a Versailles Treaty but to the final destruction, indeed to the annihilation of the German people.*

The extent of such a catastrophe cannot be foreseen. How, indeed, would the whole of densely populated Western Europe (including Germany), after a collapse into Bolshevism [*nach einem bolschewistischen Zusammenbruch*], live through probably the most gruesome cultural catastrophe which has been visited on mankind since the extinguishment of the nations of antiquity. *In face of the necessity of defence against this danger, all other considerations must recede into the background as being completely irrelevant.*

Germany's Defensive Capacity

Germany's defensive capacity is based upon several factors. I would give pride of place to the intrinsic value of the German people *per se*. A German people with an impeccable political leadership, a firm ideology and a thorough military organization certainly constitutes the most valuable factor of resistance which the world of today can possess. Political leadership is ensured by the National Socialist Party; since the victory of National Socialism, ideological solidarity has been introduced to a degree that had never previously been attained. It must be constantly given greater depth and resolve on the basis of this one concept. This is the aim of the National Socialist education of our people.

Military development [*Auswertung*] is to be effected through the new Army. *The size and pace of the military development of our resources cannot be too large or too rapid!* It is a capital error to think that there can be any argument on these points or any comparison with other vital necessities. However much the general pattern of life of a people ought to be a balanced one, it is nonetheless imperative that at particular times certain disturbances of the balance must be accepted, to the detriment of other, less vital, tasks. *If we do not succeed in developing the German Wehrmacht within the shortest possible time into the first Army in the world, in training, in the raising of units, in armaments, and, above all, in spiritual education as well, Germany will be lost!* The principle applies here that, what is not achieved during months of peacetime cannot be made good in centuries.

All other desires must therefore be unconditionally subordinated to this task. For this task is life and the preservation of life, and all other desires—however understandable they may be in other periods—are, by comparison, of no account or are even mortally dangerous and therefore to be rejected. Nor will posterity ever ask us by what methods or by what concepts, views, etc., which are valid today, we achieved the salvation of peoples, but only *whether* we achieved it. Nor would it one day be an excuse for our downfall were we to point to the measures, be they never so well tried, which had nevertheless unfortunately caused that downfall.

Germany's Economic Position

Just as the political movement among our people knows only one goal—to make good the claim to life of our people and Reich, that is to say, to secure all the spiritual and other prerequisites for the self-assertion of our people—so too the economy has but this one purpose. The people do not live for the economy or for economic or financial theories; on the contrary, finance and economy, economic leaders and theories must all exclusively serve this struggle for self-assertion in which our people are engaged.

Germany's economic position is, however, in the briefest outline, as follows:

- 1) We are overpopulated and cannot feed ourselves from our own resources.
- 2) When our nation has 6 or 7 million unemployed, the food situation improves because these people are deficient in purchasing power. It naturally makes a difference whether 6 million people have 40 marks a month to spend or 100 marks. It should not be overlooked that this is the case for a third of all who earn their living. In other words, with respect to the total population: through the National Socialist economic policy, about 20 million people have been afforded an increase in their former standard of living of, on an average, from at most 50 marks a month to at least 100–120 marks. This means an increased and understandable run on the foodstuffs market.
- 3) But if this rise in employment fails to take place, then a higher percentage of the people must gradually be deducted from the body of our nation, as having become valueless through undernourishment. It is, therefore, in spite of our difficult food situation, the highest commandment of our economic policy to see to it that, by incorporating all Germans into the economic process, the precondition for normal consumption is created.
- 4) In so far as this consumption applies to articles of general use, it is possible to satisfy it to a *large* extent by increasing production. In so far as this consumption falls upon the foodstuffs market, it is not possible to satisfy it from the domestic German economy. For, although numerous branches of production can be increased without more ado, the yield of our agricultural production can undergo no further substantial increase. It is equally impossible for us at present to manufacture artificially certain raw materials which we lack in Germany, or to find other substitutes for them.
- 5) It is, however, wholly pointless to keep on noting these facts, i.e., stating that we lack foodstuffs or raw materials; what is decisive is to take those measures which can bring about a *final* solution for the *future* and a *temporary* easing for the *transitional period*.
- 6) The final solution lies in extending living space of our people and/or the sources of its raw materials and foodstuffs. It is the task of the political leadership one day to solve this problem.
- 7) The temporary easing can only be brought about within the framework of our present economy. In this connexion, the following is to be noted:
 - a) Since the German people will be increasingly dependent on imports for their food and must likewise, whatever happens, import a proportion, at least, of certain raw materials from abroad, all means must

be employed to make these imports possible.

b) An increase in our own exports is theoretically possible, but in practice hardly likely. Germany does not export to a political or economic vacuum but to areas for which competition is unprecedentedly severe. Our exports, compared with the general international economic decline, have sunk not only *not more* but in fact *less* than those of other peoples and nations. But since imports of food have, on the whole, hardly dropped at all, but if anything are rising, an adjustment must be found in some other way.

c) It is, however, impossible to use foreign exchange allocated for raw materials to import foodstuffs without inflicting a heavy and perhaps even fatal blow on the rest of the German economy. *But above all it is utterly impossible to do this at the expense of national rearmament.* I must at this point most sharply reject the view that, by restricting national rearmament, i.e., the manufacture of arms and ammunition, we could bring about an “enrichment” in raw materials which might then benefit Germany in the event of war. Such a view is based on a complete misconception—not to use a harsher expression—of the tasks and military requirements with which we are faced. For even a successful saving of raw materials by reducing, for instance, the production of munitions would merely mean that we stockpile these raw materials in time of peace so as to use them for manufacturing in the event of war; that is to say, we deprive ourselves, during the most critical months, of munitions, in exchange for raw copper, lead or possibly iron. But in such a case it would be all the better for the nation to enter the war without one kilogram of stocks of copper but with full munitions depots, rather than with empty depots but so-called “enriched” stocks of raw materials.

War makes possible the mobilization of even the last supplies of metal. For it then becomes not an *economic problem*, but solely a *question of will*. And the National Socialist State leadership would possess the will, and also the resolution and the toughness, to solve these problems in the event of war. But it is much more important to prepare for war in time of peace! In addition, however, the following must be stated:

There can be no building up of a reserve of *raw materials* for the event of war, just as there can be no building up of foreign exchange reserves. The attempt is sometimes made today to represent matters as though Germany went to war in 1914 with well-prepared stocks of raw materials. This is a lie. It is not possible for any State to assemble beforehand the quantities of raw materials necessary for war if the war lasts longer than, say, a year. If any nation were really in a position to assemble the quantities of raw material needed for a year, then its political, economic and military leaders would deserve to be hanged. For they would in fact be setting aside the available copper and iron in preparation for the conduct of a war, instead of manufacturing shells for that war. But Germany went into the World War without any reserves. What was available at that time in Germany in the way of apparent peace-time reserves was counteracted and rendered valueless by the miserable war-stocks of ammunition. *Moreover, the quantities of raw materials that are needed for a war are so large that there has NEVER in the history of the world been a real stockpiling for a duration of any length!* And as regards preparations in the form of piling up foreign exchange it is quite clear that:

1) War is capable of devaluing foreign exchange at any time, unless it is held in gold, and

2) There is not the least guarantee that gold itself can be converted in time of war into raw materials. During the World War Germany still possessed very large assets in foreign exchange in a great many countries. It was not, however, possible for our cunning economic policy-makers to bring to Germany, in exchange for them, fuel, rubber, copper or tin in any sufficient quantity. To assert the contrary is ridiculous nonsense. For this reason and for the reason that we must safeguard the feeding of our people, the following task therefore presents itself as imperative:

It is not sufficient merely to draw up, from time to time, raw material or foreign exchange balances, or to

talk about the preparation of a war economy in time of peace; on the contrary, it is essential to ensure peace-time food supplies and above all those means for the conduct of a war which it is possible to ensure by human energy and activity. I therefore draw up the following programme for a final solution of our vital needs:

I. Like the military and political rearmament and mobilization of our people, there must also be an economic one, and this must be effected in the same tempo, with the same determination, and, if need be, with the same ruthlessness as well.

In future the interests of individual gentlemen can no longer be allowed to play any part in these matters. There is only one interest and that is the interest of the nation, and only one single view, which is that Germany must be brought politically and economically into a state of self-sufficiency.

II. For this purpose, in every sphere where it is possible to satisfy our needs through German production, foreign exchange must be saved in order that it can be applied to those requirements which can be supplied in no other way *except* by imports.

III. Accordingly, German fuel production must now be conducted with the utmost speed and be brought to final completion within 18 months. This task must be attacked and carried out with the same determination as the waging of a war; for the conduct of the future war depends on it and not on the laying in of stocks of petroleum.

IV. It is equally urgent that the mass production of synthetic rubber should be organized and secured. The contention that the processes are perhaps not yet fully determined and similar excuses must cease from now on. It is not a matter of discussing whether we want to wait any longer, for that would be losing time, and the hour of peril would take us all unaware. Above all it is not the task of national economic institutions to rack their brains over production methods. This has nothing to do with the Ministry of Economics. Either we possess today a private industry, in which case it is its task to rack its brains about production methods, or we believe that the determination of production methods is the task of the State, in which case we no longer need private industry.

V. The question of the cost of these raw materials is also quite irrelevant, since it is in any case better for us to produce in Germany dearer tyres that we are able to use, than for us to sell theoretically cheap tyres for which, however, the Ministry of Economics can allow no foreign exchange; which hence cannot be produced for lack of raw materials and hence also cannot be used. If we are in any case compelled to build up a large-scale domestic economy on the lines of autarky, which we are—for lamenting and harping on our foreign exchange plight will in any case not solve the problem—then the price of raw materials individually considered no longer plays a decisive part.

It is further necessary to increase German production of iron to the utmost. The objection that we are not in a position to produce from the German iron ore, with 26 per cent content, as cheap a pig-iron as from the 45-per-cent Swedish ores, etc., is irrelevant because we are not in fact faced with the question of what we would *rather* do but only of what we *can* do. The objection, moreover, that in that event all the German blast furnaces would have to be converted is equally irrelevant; and, what is more, this is no concern of the Ministry of Economics. It is for the Ministry of Economics simply to set the national economic tasks, and it is for private industry to carry them out. But should private industry believe that it is not able to do this, then the National Socialist State will succeed in carrying out this task on its own. In any case, for a thousand years Germany had no foreign iron ores. Even before the war, more German iron ores were being processed than during the period of our worst decline. *Nevertheless, if we still have the possibility of importing cheap ores, well and good. But the future of the national economy and, above all, of the conduct of war, must not be dependent on this.*

It is further necessary to prohibit forthwith the distillation of alcohol from potatoes. Fuel must be obtained from the ground and not from potatoes. Instead, it is our duty to use any arable land that may become available, either for human or animal foodstuffs or for the cultivation of fibres.

It is further necessary for us to make our supplies of *industrial* fats independent of imports as rapidly as possible and to meet them from our coal. This task has been solved chemically and is actually crying out to be done. The German economy will either grasp the new economic tasks or else it will prove itself quite incompetent to survive in this modern age when a Soviet State is setting up a gigantic plan. *But in that case it will not be Germany who will go under, but, at most, a few industrialists.*

It is further necessary to increase Germany's output of other ores, *regardless of cost*, and in particular to increase the production of light metals to the utmost in order to produce a substitute for certain other metals.

Finally, it is also necessary for rearmament to make use even now, whenever possible, of those materials which must and will replace high-grade metals in time of war. *It is better to consider and solve these problems in time of peace than to wait for the next war, and only then, in the midst of a multitude of tasks, to try to undertake this economic research and testing as well.*

In short: I consider it necessary that now, with iron determination, a 100 per cent self-sufficiency should be attained in all those spheres where it is feasible, and that not only should the national requirements in these most important raw materials be made independent of other countries but that we should also thus save the foreign exchange which in peacetime we require for our imports of foodstuffs. *Here I would emphasize that in these tasks I see the only true economic mobilization and not in the throttling of armament industries in peacetime in order to save and stockpile raw materials for war.*

But I further consider it necessary to make an immediate investigation into the outstanding debts in foreign exchange owed to German business abroad. There is no doubt that the outstanding claims of German business are today quite enormous. Nor is there any doubt that behind this in some cases there lies concealed the contemptible desire to possess, whatever happens, certain reserves abroad which are thus withheld from the grasp of the domestic economy. I regard this as deliberate sabotage of our national self-assertion and of the defence of the Reich, and for this reason I consider it necessary for the Reichstag to pass the following two laws:

- 1) A law providing the death penalty for economic sabotage, and
- 2) A law making the whole of Jewry liable for all damage inflicted by individual specimens of this community of criminals upon the German economy, and thus upon the German people.

But only the performance of these tasks in the form of a Several Years' Plan and the rendering our national economy independent of foreign countries will make it possible to demand sacrifices from the German people in the economic sphere and the sphere of foodstuffs, for in this event, the people will have a right to demand of their leaders, whom they blindly acknowledge, that they tackle the problems in these spheres too with unprecedented and resolute action and do not merely discuss them, that they solve them and do not merely take note of them!

Nearly four precious years have now gone by. There is no doubt that by now we could have been completely independent of foreign countries in the sphere of fuel supplies, rubber supplies, and partly also iron ore supplies. Just as we are now producing 700,000 or 800,000 tons of petroleum, we could be producing 3 million tons. Just as we are today manufacturing a few thousand tons of rubber, we could already be producing 70,000 or 80,000 tons per annum. Just as we have stepped up the production of iron ore from 2½ million tons to 7 million tons, so we could process 20 or 25 million tons of German iron ore, and if necessary even 30 million. There has been time enough in four years to discover what we

cannot do. It is now necessary to state what we can do.

I thus set the following task:

- I. The German army must be ready for deployment [*einsatzfähig*] within four years.
- II. The German economy must be ready for war [*kriegsfähig*] within four years.

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