

The System of the Nazi Occupation Policy in the Soviet Territory as the Factor of Economic Gains?

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The study analyzes the Nazi economic policy in the Soviet occupied territory in the years of 1941–1943 with respect to Ukraine and Belarus. It answers the question of whether the expected economic goals were achieved with reference to gaining of raw materials sources. The object of the paper is among others to verify the statement that the concept of economic policy affected negatively the achievement of planned objectives. General overview of gained raw materials, foodstuff, and manpower, mainly with reference to the supplying of the Reich's army and national economy is a part of the study.

The short-term plan counted with security (meeting) of war needs at the expense of the occupied country, with exporting of raw materials and foodstuffs to the German Reich. The Soviet resources were to supply the air force and navy primarily. At the beginning restoring of production recovery was not under consideration officially. Also, compulsory usage of the Soviet workforce (prisoners and civilians) in the production was presumed, like in in other in the meantime occupied European regions. Hence, the Nazi plants could substitute German working-age population fighting at the front and achieve higher profits. The long-term aim included destruction and reorganization of the Soviet economy, transformation of European part of the USSR in the colony where German inhabitants would be settled. The research paper is based on German published and non-published sources and the newest Russian literature.

Draft of the Economic Policy and Its Results

The annexed area was incorporated under either civil (i.e. Imperial Commissaryship of Ukraine and part of Belarus), or military authority (administration) or a combination

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of both. The concept of applied Reich's policy, however, was not much different.¹ It didn't contain the principles of market competition. The production was based on the standards and prices determined by the state apparatus, where the consumer demand didn't constitute the key market factor. The system of war economy did not interfere significantly with working of the previously practiced central planning model.

In accordance with the extermination strategy, labour camps and ghettos on the Auschwitz basis were established on the occupied territories, for example in Riga, Minsk or Kiev surroundings.²

The system of "patronage companies"³ was applied in the industry. The Nazi concerns contractually guaranteed that after the occupation of production units in the

¹ About organization, personal constitution, behaviour, and economic situation in the Eastern occupied territories, not only the literature informs more in detail, but also news and analyses of Reich's Ministry for Occupied Eastern Territories and Reich's Security Authority. Bundesarchiv Berlin (BArch) R6/182, *Halbmonatsbericht des Wirtschaftsstabes Ost über die wirtschaftliche Lage in den besetzten Ostgebieten, Halbmonatsbericht Wi Stab Ost von 27.11.1941*, pp. 1–47; BArch R6/408, *Grundsatzfragen der Wirtschaft in den besetzten Ostgebieten 1941–1944. Lagebericht der Ostverbindungsstelle über Russland. Aktennotiz. Die politische Auswirkung der Währung in den neu zu besetzenden Ostgebieten, vom 23.5.1941*, pp. 1–6; *Propagandamassnahmen zur Lenkung des Arbeitseinsatzes an ukrainischen Arbeitskräften vom 15.4.1942*, pp. 51–58; BArch R6/285, *Wirtschaftspolitik und Wirtschaftsorganisation in 1941–1943 den besetzten Ostgebieten, Richtlinien für die Wirtschaftsführung in den der Zivilverwaltung unbestehenden besetzten Ostgebieten*; BArch R58/214–221 *Militärische Ereignisse und Anlagen Nr. 1–195 (23. 6. 1941–22. 7. 1941)*; B. N. KOVALEV, *Nacistiskij okkupacionnyj režim i kollaboracionizm v Rossii. 1941–1944*, Velikij Novgorod 2001, pp. 32–61; N. MÜLLER – W. SCHUMANN, *Die faschistische Okkupationspolitik in den zeitweilig besetzten Gebieten der Sowjetunion 1941–1944*, Berlin 1991, pp. 38–39, p. 620; R. J. GIBBONS, *Soviet Industry and German War Effort. 1939–1945*, Yale 1973, pp. 117–153; A. ANGRICK – K. M. MALLMANN – J. MATTHÄUS – M. CÜPPERS, *Deutsche Besatzungsherrschaft in der UdSSR 1941–1945. Dokumente der Einsatzgruppen in der Sowjetunion II*, Darmstadt 2013.

² For the map of labor camps and ghettos see MÜLLER – SCHUMANN, pp. 632–633.

³ For example: Reichswerke Hermann Göring- Molotov (Dnipropetrovsk) Plant; Siemens-Schuckert AG- Plants of Rutšenkovo (part), Stalino Manufacturing concern; Dnjepr-Stahl GmbH-Furnace works of "Dzeržinskij" (Kamenskoje), Corporation for manufacturing of wagons of "Pravda" (Dněprodzeržinsk), "Petrovskij" (Dněpropetrovsk) Furnace works, "Lenin" (Dněpropetrovsk) Corporation, Plants of "Komintern" I.–III., Plant of "Zaporožstal" (Zaporožne), Chemical works of "Kalinin" (Dněpropetrovsk); Dynamit Nobel AG- Zaporožne Furnace works; see J. WERPUP, *Ziele und Praxis der deutschen Kriegswirtschaft in der Sowjetunion 1941 bis 1944 dargestellt an einzelnen Industriezweigen*, Bremen 1992, p. 104; D. EICHHOLTZ, *Geschichte der deutschen Kriegswirtschaft 1939–1945, Band II*, München 1999, p. 468.

strategically important industries, they would first try maximum to use the Soviet specialists and technological processes. After that, they would restore only partially the fluent production for the war economy. The chosen plants were disassembled and transported into the domestic territory. The competition fights appeared very often. German firms Krupp AG, IG Farben, Siemens AG, Mannesmann AG or Hermann Göring Reichswerke and machinery works in Brunswick took over patronage of mine and metallurgical plants in Nikopol, Krivy Rog, Donbas, or Dnipropetrovsk, as well as over Ukrainian enterprises in chemical and textile industries.

The occupying authority deliberately kept the minimum standard of living. People worked in collective farms and state farms, whereas the participation of collective farms' property was forbidden. The economic relationship between rural and urban areas was broken. Even though Germans occupied the most fertile agrarian areas, the Soviet population was supplied less than before the occupation. According to English statistics from 1942, they controlled 40% of pre-war Soviet agricultural production, they cultivated only 60% of land in Ukraine at the same time and almost 50% of harvests were regularly frozen to death.⁴ The average norms of food allowances per one local workman didn't contain either vegetables, eggs, or milk products.⁵ The only guaranteed food was the allowance of bread. Farmers were presumed to have a certain proportion of self-sufficiency. Almost every villager owned a secret cellar. The barter and exchange on the officially tolerated black market played the essential role at ensuring livelihood.

⁴ W. MOSKOFF, *The Bread of Affliction. The Food Supply in the USSR during World War II*, Cambridge 2002, p. 17, pp. 44–45.

⁵ Monthly allowances amounted 600 g of sugar, 1800 g of meat and fish, 400 g of fat, 8 400 g of rye bread. H. H. NOLTE, *Der deutsche Überfall auf die Sowjetunion 1941. Text und Dokumentation*, Hannover 1991, p. 81; S. QUILITZSCH, *Zur verbrecherischen Rolle der IG Farben während der faschistischen Aggression gegen die Sowjetunion*, hrsg. von A. ANDERLE – W. BALER, *Juni 1941. Beiträge zur Geschichte des hitlerfaschistischen Überfalls auf die Sowjetunion*, Berlin 1961, p. 178. For everyday life of Soviet population working in German factories, the brutality of occupation authorities see H. OBENAU – S. OBENAU, *Schreiben wir es wirklich war*, Hannover 1985, pp. 108–110; H. J. SCHRÖRDER, *Alltagsleben im Russlandkrieg 1941–1945. Eine deutsche Perspektive*, hrsg. von H. A. JACOBSEN – J. LÖSER – D. PROEKTOR – S. SLUTSCH, *Die Deutsch-russische Zeitenwende. Krieg und Frieden 1941–1995*, Baden Baden 1995, pp. 388–409.

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The manpower applied mainly in the agricultural sector (harvesting, water-supplying and foodstuffs division), building industries (construction of infrastructure), military, and serial production.⁶ The forced laborers were registered as foreign citizens, so they were not entitled for vacation; they were subject to a severe hygienic regime and were paid hourly wages according to their sex and age. In Ukrainian Zaporozhe, inhabitants owned so-called grey employment book, which established compulsory labour service in the German economy for one member of each family.⁷

The confiscation of gold and exchange reserves occurred; the banking system⁸ was set in a way so German officers kept the control over issuing of banknotes and credit coverage. The occupied areas had to pay levies exceeding the occupation costs, which was caused mainly by a centrally given exchange rate set in favor of the Reichsmark.⁹ Thanks to inflation the cash money was worthless.

The state determined low purchase prices (see table no. 1) of groceries and raw materials in order to sell cheap Soviet goods at higher prices in the western markets. The investments were low because at the time of war there was no guarantee of their

⁶ The official statistics on the number of forced laborers from Soviet inhabitants differ. From 1942 to 1945 about 3–4 million of Soviet citizens (scientists, workers, engineers, etc.) were forced to work in German production, including 1 million of prisoners. However, even as far as 20 million was stated, namely entirely from the Belarusian part. NOLTE, p. 75; R. D. MÜLLER, *Handelspartner oder Ausbeutungs objekt? Die deutsche Wirtschaft und Hitlers Lebensraum. Krieg gegen die Sowjetunion*, hrsg. von H. A. JACOBSEN, *Die Deutsch-russische Zeitenwende. Krieg und Frieden 1941–1995*, Berlin 1995, p. 304; T. J. SCHULTE, *Living-standards and the Civilian Economy in Belorussia*, hrsg. von R. J. OVERY, *Die Neuordnung Europas. NS-Wirtschaftspolitik in den besetzten Gebieten*, Berlin 1997, pp. 176–177; MÜLLER – SCHUMANN, p. 626.

⁷ S. KUDRYASHOV, *Labour in the Occupied Territory of the Soviet Union. 1941–1944*, hrsg. von R. J. OVERY, *Die Neuordnung Europas. NS-Wirtschaftspolitik in den besetzten Gebieten*, Berlin 1997, pp. 162–163.

⁸ The banking system on the Soviet territory was formed, except for the Reichsbank even by credit cash desks, issuing banks. The credit cash desks (even so-called military banks) were inferior authorities of the Reichsbank and issued “credit vouchers” (bills), which substituted the function of universal means of payment because the Reichsmark was not valid in the occupied territory, it was covered fictively. See M. OERTEL, *Beteiligung der Deutschen Reichsbank an der faschistischen Aggression gegen die Sowjetunion*, in: *Militärsgeschichte*, 10, 1981, 5, pp. 579–586.

⁹ The official exchange rate was in 1942 1 RM = 10 rubles. In the Ukrainian territory there was established own occupation currency “Karbovanec”.

economic return. Initially there wasn't an interest in the full renewal of industrial production. These steps should have led to insurance of sufficient quantity of supply for the war production, decrease of the German debt, and maintenance of an optimum level of tax burden.¹⁰

Table No. 1

Purchase prices that German army paid in Belarus compared to production prices in the Reich (8/1941)

AGRICULTURAL PRODUCTION	PURCHASE PRICE IN BELARUS*) (1KG)	PRODUCTION PRICE IN GERMANY (1KG)
Livestock	200 rubles (20 RM)	100 RM
Potatoes	12 rubles (1,2 RM)	6 RM
eggs (100 pieces)	23 rubles (2,3 RM)	12 RM
Grain	22 rubles (2,2 RM)	11 RM

*) 10 RM = 100 rubles

Source: MOSKOFF, p. 182.

The tax and fee system consisted of several types of taxes. There were collected the income tax, the head tax, the tax for security, the land tax and even various local specific taxes, for example the windows tax, the door tax, the redundant furniture tax or domestic animals tax. In Belarus, the yearly tax for cat and dog was 20–40 rubles and income tax was up to 80 rubles, per month, compared to Ukraine where the income tax reached as far as the amount of 120 rubles monthly.¹¹ The level of fiscal burden on population was regionally differentiated. Considering development in the Eastern front, the taxation policy was continuously adjusted. As a result of inflation, the levies in naturals (in-kind contributions) were preferred. The biggest part was used for army needs. Special attention was paid to the taxation of agricultural production.

¹⁰ NOLTE, pp. 124–125.

¹¹ See KUDRYASHOV, pp. 163–164; N. MÜLLER, *Wehrmacht und Okkupation 1941–1944. Zur Rolle der Wehrmacht und ihrer Führungsorgane im Okkupationsregime des faschistischen deutschen Imperialismus auf sowjetischem Territorium*, Berlin 1971, pp. 106–107.

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The basic tax in the countryside was a land and individual tax.¹² The income tax of workers, officers and even craftsmen, and the tax for renting of industrial areas which was paid by corporate subjects brought the highest amounts into the occupation budget. The deputies of Soviet revolt importantly affected the tax collection, due to their active activities final volume of taxes collected from the northwest areas decreased, from 90% in 1941 to 30% two years later.¹³ The tax policy was one of the most important tools of Nazi occupation system in the Soviet territory. The total chaos and propaganda in the first occupation phase enabled the German economy to gain a considerable part of financial resources with minimum cost.

The reconstruction of the Russian economy should not have been the economic objective, but it was necessary to concentrate primarily on food supply and raw materials, regardless of local population. This conception was not maintainable in the long run. The situation of Nazi war economy was deteriorating.

Although military troops occupied the valuable areas around Odessa, Baku, Grozny, or northern Caucasus, they didn't manage to gain sufficient numbers of strategic raw materials and foodstuffs. Even the transport capacity was overloaded. The German economy could produce only one-third of required oil production.¹⁴ Both the supply crisis and development and intentions in the front contributed to the endeavor of economic strategy's modifying on the occupied territory in the spring of 1942,¹⁵ mainly in Ukraine. The Reich's interests remained still sovereign but requested a renewal rather than fast exploitation.

The purpose of gradual reform endeavors was to increase motivation and productivity of farmers and workers. Agrarian reforms were divided into several phases.¹⁶ Firstly, the collective farms should have been transformed into the commune

¹² The individual tax ranged from 120 to the 180 rubles per year and the tax had to be paid by all inhabitants in working age, except for the disabled with medical confirmation, deserters, the unemployed and Germans who had inhabited the occupied territory already before the war. See KOVALEV, pp. 237–238.

¹³ Ibidem, pp. 244–245.

¹⁴ Baltische Öl Company succeeded to import from Caucasus only one tenth of necessary oil supplies, as well as slate from which the petrol was manufactured. See GIBBONS, p. 210.

¹⁵ See the Speer's military programme with the aim of building the shot works in Ukraine.

¹⁶ The rules were determined by "Law about new agricultural order" from March 1942, whose

system, then into cooperatives, in which the responsibility for harvests was taken by the family courts. In the last phase there was a plan to divide the cooperative property among individual self-employed farmers. The agricultural machinery was imported. From the German state budget investment in the volume of 172 million Reichsmarks was made¹⁷ for the purchase of fertilizer and simple machines. For rural population a limited supply of consumer goods was introduced.

Not only under the pressure of German entrepreneurial monopolies, was more systematic production restoration officially allowed in the industrial sector. The textile factory, which specialized in processing of wool, cotton, flax, and hemp entirely for the needs of the Nazi economy,¹⁸ was established in the town of Rovno in the end of summer of 1942. In chosen Soviet factories there were established dining rooms with own kitchens, there were allowed business gardens and even individual crafts, mainly of sheet goods.

Larger firms founded first-aid stations where qualified Soviet doctors were employed. Usually there were even corporate nurseries and kindergartens. Azov plants in the town of Mariupol which were owned by Krupp AG Company, established a bakery, jam and canning factory where staff processed the cultivated greengrocery. In order to stimulate the job performance, there was the establishment of social security in case of disability, disease, and old-age insurance.¹⁹

Great attention was paid to the reconstruction of transportation infrastructure. Only for the Belarusian region Germans released 60,000 unskilled workers for the railway repair, whereas they managed to open only 20% of the local pre-war transportation network.²⁰ Even the two-storied high-speed trains²¹ were provided to improve the quality of supplying in Ukrainian territory.

The economic results in 1943 remained were behind expectations despite the massive propaganda. Some actions stayed unrealized. Although the German statistics

main initiator was A. Rosenberg. See KOVALEV, pp. 212–214; CH. GERLACH, *Kalkulierte Morde. Die deutsche Wirtschafts- und Vernichtungspolitik in Weißrussland 1941 bis 1944*, Hamburg 1999, pp. 347–356.

¹⁷ MÜLLER – SCHUMANN, p. 59.

¹⁸ QUILITZSCH, p. 166.

¹⁹ WERPUP, pp. 80, 112–114.

²⁰ SCHULTE, p. 179.

²¹ WERPUP, pp. 92–93.

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showed 40% productivity growth in the Kiev region,²² the everyday reality was very difficult and working conditions were territorially differentiated. The last phase of the agrarian reform was constantly postponed and the question of proprietorship remained unresolved. Most of Belarusian agrarian businesses were collectivized before summer of 1943, otherwise, in Ukraine only 16%.²³ The Soviet farmers could hold only 22% of the whole harvest, which was about 5% less than in the end of the thirties. At the same time the production of grain decreased by 40%.²⁴

The efforts to recover the Eastern economy required considerable investments and import of production inputs. For the 5% renewal of heavy industry in Dniepr-Donetsk region 200 million Reichsmarks were allocated only in the first phase and the production of base raw materials (manganese and iron ore) still didn't exceed 50% of the pre-war Soviet level. Despite this fact it covered more than 85% of German consumption of chosen raw materials.²⁵ Also the Upper Silesian area provided the coal for insurance of Ukrainian production.

The problem could be also seen in fact that the money market didn't develop in the Soviet territory which limited the privatization process. There were Reich's bills in circulation in order to prevent increasing cash demand leading to inflation. However, the occupied economy didn't avoid a rising price level. Mainly German soldiers had their families to send them cash and cheap goods,²⁶ whereby they increased the monetary supply. The bills were losing their value and barter and black market were used more and more massively. At the same time, the centrally determined wages didn't cover the living costs because they stayed fixed for the whole occupation period omitting the rate of inflation. Prices of basic foodstuffs in the black market increased several times a day and thus the real wages tended to zero. In 1943, a four-member family in the Kiev spent about 500 Karbovanec on the black market daily,

²² It was still common that the hygienic standards were not met or workers stood shoeless in ragged working clothing on the hot-headed cement concrete. MOSKOFF, pp. 113, 117.

²³ GERLACH, pp. 356–357.

²⁴ SCHULTE, p. 184; MOSKOFF, p. 51.

²⁵ EICHHOLTZ, pp. 467–470.

²⁶ German soldiers did business with the local inhabitants trading with German cheaply made goods, so called Negerwaren which they offered consequently in the black market for high prices. SCHULTE, p. 184; MÜLLER, p. 106.

so this family should have gotten a monthly wage as far as 1,200 Karbovanec.²⁷ The analogous situation was in the Belarusian regions where already one year earlier the value of 1 kg bread in the black market reached about 125% higher value than the official fixed price. In two different shops selling price could be even tens of rubles apart (see table no. 1 in the Attachment).

Approximately 35–40% of economically active population and one-third of the capacity of Soviet national economy in first phase of occupation were situated below direct control of Nazi economical entities; particularly it was 42% of energetic resources, 63% of the whole coal production, 58% of iron reserves, and 38% of grain.²⁸ after only one half of year of occupation the German economy disposed of 63% of the pre-war level of the Soviet coal reserves, 58% of steel production, 65% of aluminum reserves, and 41% of the local railway infrastructure; it owned even the most of food supplies.²⁹

The German military divisions occupied industrial plants in engineering, agricultural, chemical and woodworking industries, from which 150 were Ukrainian and 73 factories were Belarusian.³⁰ Shortly before the war these companies produced 74% of Soviet coal production, 71% of iron ore, 68% of iron, 60% of aluminum, 58% of steel, and 43% of electricity.³¹ Ukraine was among the most profitable areas that were delegated to Nazi concern, with its plants of Stalino, Makeyevka or

²⁷ For the illustration, workers in Ukraine got 14 pfennigs per hour on average in the same period, on the contrary, workers in the Kiev patronage company for the biscuits production (Balsen-Keks Hannover) earned 45–55 RM a month, officers and employees in non-working professions got the monthly wages of even 150 RM. WERPUP, pp. 115–116.

²⁸ NOLTE, pp. 80–81; G. KIRILENKO, *Ekonomika i vojna*, D. PROEKTOR (ed.), *Rossija i germanija v gody vojny i mira 1941–1945*, Moscow 1995, pp. 176–177; KUDRYHASHOV, p. 161.

²⁹ 86% of flour, 68% of meat, 100% of potatoes, 50% of fats, 40–84% of sugar, and 50% of feeding. G. R. UEBERSCHÄR – W. WETTE, *Unternehmen Barbarossa. Der deutsche Überfall auf die Sowjetunion 1941. Berichte. Analysen. Dokumente*, Paderborn 1984, pp. 193–196; N. S. SIMONOV, *Vojenno-promyšlennyj kompleks v 1920–50-je gody. Tempy ekonomičeskogo rosta, struktura, organizacija proizvodstva i upravlenije*, Moscow, 1996, pp. 138–139.

³⁰ WERPUP, p. 179.

³¹ G. A. KUMANEV, *Sovetskij tyl v pervyj period Velikoj Otečestvennoj vojny*, Moscow 1988, p. 129; G. S. KRAVČENKO, *Ekonomika SSSR v gody Velikoj Otečestvennoj vojny 1941–1945 gg.*, Moscow 1970, p. 123; MÜLLER – SCHUMANN, p. 37.

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Konstantinovka, including reserves of iron and manganese ore, steel, blast furnaces, and rolling mills.

Compared to other European regions which were continuously included in the Reich's sphere of influence, the shares of Soviet agricultural production allocated in the German war economy were the highest.³² The German army was supplied from these sources by basic foodstuff from more than 80%, most significantly by potatoes, grain, and alcohol.³³

On the annexed territory it managed to achieve 10% of the former industrial and about 50% of agricultural production. The net profit amounted to 7.5 billion Reichsmarks, which can be augmented by 5 million tons of raw materials exported in 1943 and 1944.³⁴ However, it is very hard to try to objectively quantify the total economic benefit because the complete statistics are missing and results are affected by various exchange rates and relative prices.

The raw materials' profits were of course predetermined by a character of regions that German army managed to occupy gradually and the successiveness of the Soviet evacuation. Among the most beneficial sectors during the three-year occupation belonged mining, mainly the volume of exploited ferrous metals and iron ore. With regard to the development at the front was the importance of black coal obtained from south-Russian regions. The German ironworks and metallurgical works were dependent on imports of this black coal. The occupied areas, except for the agricultural production, became the main supplier of building and textile materials (cotton, flax and hemp), rubber, scrap metal, slate, and wood. At the end of 1942, the wood consumption was covered only by 50%, in Ukraine only by 15%.

³² In comparison with the annexed territory of France and Poland, there were imported corn, potatoes and oils the most from the Soviet territory into the Reich. Double amount of corn originated in the Soviet Union than from both France and Poland, double more of meat than from Poland and ten times more of fats in comparison with the occupied part of France. EICHHOLTZ, p. 503.

³³ MOSKOFF, p. 49.

³⁴ Among the most favorite items corn, potatoes, iron ore, black coal, mineral oils, and slate belonged. MÜLLER – SCHUMANN, p. 625; WERPUP, pp. 219–220, 179; CH. BUCHHEIM, *Die besetzten Länder im Dienste der deutschen Kriegswirtschaft während des Zweiten Weltkrieges*, in: Vierteljahrshefte für Zeitgeschichte, 34, 1986, 1, pp. 117–145; EICHHOLTZ, pp. 499, 531; MÜLLER, *Handelspartner oder Ausbeutungsobjekt?*, p. 305.

At the beginning of 1943, the Belarusian wood mining had to be minimized because two-thirds of the local forest areas were occupied by guerrillas.³⁵

If we assume the model situation, in which we will compare the German raw materials' profits in the first occupation phase to the quantity of Soviet unsatisfied liabilities, owing to the attack and resulting from the made business agreements from previous two-year-long period of mutual cooperation, we find that from the purely quantitative point of view Hitler didn't manage to gain as much from occupied Soviet areas as what the business agreements guaranteed. Except for the exploited non-ferrous metals and wood, this balance is negative (see table no. 2). This result is indisputably affected by a character of primary territorial gains, which were mainly of the agrarian in nature or belonged among successfully evacuated by the Soviets.

Table No. 2

Raw materials acquired by Germany from the Soviet occupied territory or trade (6/1942, in t)

CHOSEN RAW MATERIALS	OCCUPATIONS' GAIN	TRADE WITH USSR ACCORDING TO AGREEMENTS	OCCUPATIONS' GAIN COMPARED TO TRADE (%)
manganese ore	260,000	630,000	41
chrome iron ore	5,190	30,000	17
Phosphates	580	200,000	3
non-ferrous metals	12,236	4,000	306
wood	12,600,000	1,800,000	700

Source: WERPUP, p. 86; author's calculations.

Capitalist cooperation among Germans and other occupied West-European countries showed to be more effective in comparison with colonial way in obtaining raw materials and foodstuffs practiced by Hitler in European East.³⁶ Key countries among the occupied regions included France which supplied Nazi Germany by three

³⁵ WERPUP, pp. 215–217; MÜLLER – SCHUMANN, p. 58.

³⁶ For comparison of the Nazi occupation systems in the European territory see H. KAHRS – A. MAYER – M. G. ESCH – et al., *Modelle für ein deutsches Europa. Ökonomie und Herrschaft im Grossraumwirtschaftsraum*, Berlin 1992, pp. 9–199; C. MADAJEZYK, *Die Besetzungssysteme der Achsenmächte. Versuch einer Komparativen Analyse*, in: *Studia Historiae Oeconomicae*, 14, 1979, pp. 105–122.

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quarters of Germany's iron consumption, a half of bauxite and a half of labor force as well and it contributed one-third of its national income to Nazi Germany.³⁷ Nazi Germany succeeded in transferring of very important part of European trade for her own benefit, which led to increase of its war consumption by one-eighth in 1944. Thus a value of obtained Belgian and Dutch material resources exceeded the East-European resources only four times. Even in the important supplies of foodstuffs, France and General Government compensated an ineffective concept of agricultural policy practiced in the territory of the Soviet Union.³⁸

Conclusion

The occupation of the Soviet territory didn't bring the expected benefits from the economic-strategic point of view, even though Germans gradually occupied nearly a half of the Soviet economic potential. The concept of applied economic policy affected negatively the achievement of planned economic objectives. Effectiveness of occupation policy was complicated, by evacuation and collaboration, corruption and guerrilla activities. Germans also erred when they didn't exploit frustration of Soviet inhabitants with a Stalinist repressive regime for their own profit; they weren't willing to offer perspective and more quality living conditions. Instead, they preferred the colonial ways in the long run without greater willingness or possibility to invest the needed financial resources. The result was affected by the development at the front and economic situation of the Third Reich. The overall gains were also determined by the chaos caused by the German bureaucratic apparatus and alienation of the Russian population which had no common interests with the occupying power. The Soviet raw materials, food, and manpower resources helped the Nazi economy to prolong the war conflict to a certain extent.

The concept of blitzkrieg definitely foundered in November 1942 when the Soviet Union initiated the counteroffensive and took over the strategic initiative. From the economic point of view the turning point occurred during last months of 1943

³⁷ See M. MAZOWER, *Hitlers Imperium. Europa unter der Herrschaft des Nationalsozialismus*, München 2009, p. 250.

³⁸ *Ibidem*, pp. 250–251.

after the Red Army rescued the Donetsk region. After the loss of territory in the south and the Balkans, Germany couldn't use rich sources of cheap manpower, agricultural products, crude oil, and raw materials. The Nazi economy was not able to cope with burden of fighting at two fronts and grandiose armament. The turnover and resulting defeat of the Reich's army indirectly prove that the annexation of economically valuable territories didn't resolve the supply situation of German economy in the essential way. The economic failures not only on the occupied Soviet territory were caused by Hitler's non-conceptual and vague attitude towards the resolving economic problems and ideology as well.

Attachment

Table No. 1

Prices in Belarus and Ukraine in 7/1942 (in rubles)

FOODSTUFFS	FIXED PRICES	PRICES ON THE BLACK MARKET
Bread	1.2	150
egg (1pc)	0.8	8
milk (1l)	1.2	20
sunflower oil (1l)	14.5	280

Source: MOSKOFF, pp. 185, 58.

Abstract

The paper is dedicated to the analysis of Nazi economic policy on occupied Soviet territories of Ukraine and Belarus in the period from 1941 to 1943. The principles of applied economic policy and its possible influence on the achievement of designated targets are analyzed. The paper contains data about total volumes of extracted raw materials, expropriated food and working force by Nazis on this territories and their role in the supply system of German army and satisfaction of national economy's needs. Benefits expected from economic occupation of the Soviet territory were not realized. Efficiency and goals achievement were complicated by evacuation, collaboration, guerrilla activities, and the concept of the occupation policy.

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Keywords

Hitler; Germany; Soviet Union; War Economy; Occupation Policy; Ukraine; Belarus