Adaptation and Opposition in Democracy and Dictatorship

The German merchant firm Wilhelm Grillo found itself in a dilemma in the early days of the tumultuous year 1940. Another firm, Lampe Delta, a Belgian company that produced pocket flashlights, was having difficulty finding a secure supplier of zinc casings for the three-volt batteries its products used and hoped Grillo could put them in touch with a German machine builder that would provide the equipment required to make them in-house. As a merchant, Grillo wondered whether it would be better to find Lampe Delta a producer that would sell them such a machine, or to locate a battery manufacturer that could supply the finished product instead and establish a long-term export relationship. There was nothing really unusual in this request, which was, after all, the sort of question that business people face all the time. But the Germany in which Grillo did business was an ideological and increasingly regulated state that was formally at war with France, the United Kingdom and their allies, even if it had momentarily stalled in a period of ‘phony war’. More was at stake than just Grillo’s own business interests.

Looking for guidance, Grillo dispatched a letter to one of the multitudinous semiprivate regulative bodies in the Third Reich, the Pre-inspection Office for Mechanical Apparatus (Vorprüfungsstelle Apparatebau), asking which kind of export – products or productive machinery – would better serve the interests of Germany. The Vorprüfungsstelle Apparatebau panicked. Instead of venturing an answer, it passed the question on to more important organizations. Over the next week the issue was debated through a series of letters and consultations between at least seven separate regulatory offices in two different industries in an effort to answer Grillo’s question in an economically and politically acceptable way. Finally, a kind of joint statement was agreed upon after it was discovered that British troops stationed in France used just such a battery for their communication radios, and a circular forbidding the export of either product was released under the cumbersome title ‘Concerning the Delivery of Objects, Devices and Machines that are Suitable for the Support of the War Potential of Enemy States or the Increase of the Military or Economic Strength of
the Enemy Through the Easing of War Measures Implementation with Respect to Machines for the Production of Pocket Flashlight Batteries, Elements and Dry Elements, and also Lead and Steel Accumulators. Business in the Third Reich was not a simple matter, and such efforts to reconcile industry, ideology and wartime production could have absurdly complicated results.

The more or less organized wartime economy (particularly in highly cartelized Germany), relied on a variety of methods and institutions regulating business in order to integrate industry into a vast but often confusing and ramshackle machine. In this context, ‘support’ for the regime required much more than just a change of heart at the ballot box or the introduction of the swastika to company letterhead. Knitting together firms led by men who might at any time be enthusiastic, intimidated, opposed, opportunistic or apathetic required a cadre of managers and organizations who were willing to work within an ideological regime that placed significant limits on the decision-making ability of German entrepreneurs in the name of the state. A stubborn or difficult man in an influential position could thwart – or at least delay and complicate – Nazi aims. One who was more amenable or ambitious could act as a mechanism to ease an industry or firm into the warp and weave of National Socialist regulation. This study examines the process and consequences of adaptation to the National Socialist regime by focusing on the chief business managers (Hauptgeschäftsführer) of two of the most important private industrial organizations that evolved into regulatory bodies during the Third Reich: Jakob Reichert of the Association of German Iron and Steel Industrialists (Verein Deutscher Eisen- und Stahlindustrieller, VDESI) and Karl Lange of the German Machine Builders’ Association (Verein Deutscher Maschinenbau-Anstalten, VDMA).

These were not ‘ordinary men’ in the sense of Christopher Browning’s use of the term in his landmark study, but they were something like ‘ordinary professional men’ who faced a difficult set of choices in a period of enormous change. Like most choices of ours, theirs were not direct life or death decisions. Instead, they were closer to the kinds of decisions so many professionals, businessmen and administrators make on a day-to-day basis and of the small, sometimes familiar steps on the road to violence and barbarism on an unprecedented scale. Rich, full, lengthy personal biographies could be written on either of these two men and their careers, but that is not the purpose of this study. Nor is it to write a comprehensive analysis of the iron and steel or machine-building industries. Instead, it is to compare the choices open to two professional men who represented distinct industries through the organizations they steered, and the consequences of the different paths they chose. These two men had similar jobs, lived and worked in similar social milieus and often crossed paths professionally, even if they were not always on the same side of the negotiating table. Despite these similarities, Lange and Reichert offer a fascinating study in contrasts. Indeed, by the founding of the Federal Repub-
lic in 1949 one had killed himself in despair at his own failures while the other was happily integrating into yet another regime.

As the professional representative of the German iron and steel industry, Reichert was an often overbearing, deeply conservative example of the kind of man who helped to bring down the Weimar Republic. Chancellor Gustav Stresemann himself flagged Reichert as evidence of the anti-democratic authoritarianism of heavy industry.7 Historians on the left have come to identify him as one of ‘those furthest right’ on the late Weimar political spectrum, and his reputation as an authoritarian representative of the fearsome iron and steel industry led the invading American forces to target Reichert as ‘one of the top leaders in the Nazi administration of German business’ to be arrested and tried after the war.8 Despite this imposing reactionary reputation, Reichert stood up to the regime to a surprising degree, though at the cost of his career and eventually his life. Lange, on the other hand, made a reputation for himself in the Weimar years as an economic liberal fully reconciled to the democratic government and willing to compromise with the political left. He was, in effect, a model liberal citizen of the republic who represented a dynamic and practical industry. However, rather than being swept out by National Socialism along with so many others like him, Lange flourished and built himself a small administrative empire in the Third Reich that seemed to defy his record in the republic. The key to these wildly divergent career paths lies in the difference in each man’s evaluation of the strengths of his respective industry, its role in the German economy, the long-term interests of his industry and organization, and the level of accommodation with the regime that this prompted.

The stakes are always high when discussing the Nazi period, and the role of business and industry in the rise and rule of the regime has been hotly debated. How and why did business accommodate itself to National Socialism? The answer to this question has helped to determine how a variety of historians understand National Socialist Germany as a whole. The impression that fascism was funded by industry (and heavy industry in particular) was already bolstered in the popular mind by contemporaries like the erudite Stephan Zweig,9 and as Gerald Feldman pointed out, neither undergraduates nor professional historians express much surprise that business owners and managers would find a way to make money under Hitler.10 This was also reflected in more theoretical analyses of the period, and by 1935 the Marxists had codified National Socialism before the Seventh Congress of the Third International as the articulation of monopoly capital’s dominance over the state.11 This thesis became the basis of East German historiography and continues to influence some Marxist analysis of the collapse of Weimar and the nature of the Nazi state.12 This approach was bolstered by the ‘almost liturgical’ repetition of Max Horkheimer’s assertion that ‘those who won’t discuss capitalism should also stay silent on fascism’.13
Although the overtly political nature of GDR historiography isolated its interpretation to a certain degree, the role of industry in the republic's collapse was likewise taken up by the moderate left in the west to explain the ascendancy of the Nazis in a highly unstable environment. For them, heavy industrialists' irascible opposition to a democracy that was unwilling to satisfy their whims led them to throw in their lot with the National Socialists by 1933.14 Dirk Stegmann went considerably further, arguing that heavy industries like Reichert's were searching for an authoritarian solution throughout the Weimar Republic whereas export industries (like Lange's) remained committed to some form of liberal democracy. During the political and economic crisis of the early 1930s, Stegmann argues, heavy industry fulfilled its own aims by backing the National Socialists and 'cementing' the regime in early 1933.15

In the early 1980s the discussion of the role of industry in the demise of the democracy exploded into controversy with David Abraham's *Collapse of the Weimar Republic*, in which he argued that the triumph of fascism was the result of the middle class's failure to reconcile the differences between the demands of the liberal export industries and the reactionary heavy industrialists in the context of class struggle.16 When heavy industry gained the upper hand in industrial politics, it threw its support behind the National Socialists. The dynamic export sector thus became the victim of a powerful, authoritarian heavy industry. Abraham's highly problematic book prompted a number of historians to argue that many, if not most, businessmen had been 'passive, ill-informed bystanders' during the crucial period of the collapse of the republic.17 To be sure, industrialists failed to use their 'veto power' to oppose the establishment of a National Socialist government, refused to declare a cease-fire on the left and were unable to manage a truce with labour along the lines of the 'Working Community' of 1918.18 Throughout the economic, social and political chaos that led to the seizure of power, however, the attitudes of industrialists and their representatives towards National Socialism could be better characterized as ambivalent or confused. These men did not have the benefit of hindsight that we enjoy and failed to grasp the severity of the danger facing Germany at least as much as they embraced the destruction of the Weimar Republic.

This challenge was met by an almost equally unhelpful conservative theory of totalitarianism that conflated the NSDAP with a form of Bolshevism that replaced the freedom of the entrepreneur with state control, largely exonerating German business from the collapse of the republic and rise of dictatorship in the process.19 This narrative of victimization of a group that was threatened with retribution for their actions in the Third Reich was all too convenient for postwar business leaders and provoked a sharp response. Jonathan Wiesen in particular has shown that industry's professed regrets about its own naivety about the Nazis and its failure to stand up to the regime stemmed from a post-
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war public relations campaign at least as much as their own experience, and does not reflect the willingness of so many businessmen to work with or for the dictatorship. ²⁰

Although this debate has produced a number of important studies on the relationship between industry as a group and the ‘primacy of politics’, ²¹ attention has recently shifted to the decision-making process within firms themselves. Senior scholars working through company archives have produced critical histories that helped to open up a new field of business or company history (‘Unternehmensgeschichte’). ²² This wave of scholarship has thrown light on some of the day-to-day relationships that developed between business and the Nazi state. However, this research has primarily focused on the dramatic tension between the needs of individual firms and the demands of the regime. Managers often found themselves caught between the mundane desire to secure lucrative contracts and the larger immorality and irrationality of Nazi policy. ²³ Though these men were seldom ordered to pursue a particular production policy, economic, political and personal pressure weighed heavily on business managers between 1933 and 1945, limiting the options they saw as open to them. This approach has provided important insights but is by nature limited to the experience of the firm in question. It is difficult to apply the findings of these studies to, for instance, assertions that heavy industry was behind an aggressive war of expansion and conquest. ²⁴

In recent years this discussion has crystallized around the question of businessmen’s ‘room for manoeuvre’ (Handlungsspielraum) in the Third Reich. What choice could they reasonably make in a violent dictatorship? This question has opened up a broad interpretive spectrum ranging from Peter Termin’s characterization of the Nazi economy as remarkably similar to the planned economy of the Soviet Union on the one hand, to Buchheim and Scherner’s assertion that private ownership and decision making was maintained in a ‘directed market economy’ in which firms and managers continued to make their own choices. ²⁵ Other historians situate themselves along this continuum, although a number of important writers like Hayes and Overy have tended to emphasize the practical constraints and threats businessmen faced. ²⁶ Occasionally this has caused sharp debates over both the structure of the Nazi economy and, more broadly, the culpability of businessmen in the regime. ²⁷

Nevertheless, these two extremes point to two different but important factors in economic life in this tumultuous period. The strong role of the National Socialist state is difficult to deny. Historians like Overy and Barkai have both emphasized this point, and Abelshauser has gone further to argue that the Nazi state reordered the economy for war so thoroughly that it also set the stage for the postwar economic boom. ²⁸ While Buchheim disputes Abelshauser’s characterization of a successful National Socialist economic policy, he also concludes that the state did have a strong impact, albeit through what he refers
to as a ‘deformed economy’.29 On the other hand, Scherner and Buchheim’s interpretation helps to illustrate some of the economic advantages that led businessmen to work with a violent and repulsive regime, and Unternehmensgeschichte has also recently come under attack for emphasizing the constraints placed upon businessmen rather than their room for manoeuvre.30 Rather than being forced, businessmen were able to evaluate the relative advantage of various kinds of contracts, and even to use the state to exploit opportunities that could not exist in the Weimar Republic while retaining the right to turn down unprofitable contracts.31

Separating economic practice from direct political influence, Mark Spoerer in particular has effectively argued that large portions of the business community saw a substantial rise in profits under the regime.32 More importantly, this was not simply the result of state policy. Entrepreneurs were able to direct investment towards the products that were the most profitable and secure in the context of Nazi aims, leading critics to assert that industry retained much of its influence over the economy during the Third Reich,33 and even used the regime to accelerate the process of ‘modernization’ that had lagged behind that of the United States.34 The most critical members of the left were also able to modify their argument to accommodate these findings by noting that industrialists were able to instrumentalize the Nazi regime to achieve their own ends.35 Choice and opportunism dominate this model.

Joachim Streb has pointed out that this debate over a controlled or market economy might be too narrow, and that in practice coercion and opportunism could exist side by side.36 Hayes, for instance, noted that a monstrous regime could be engaged in an inescapable process of ‘indirect socialization’, while also condemning the venal motives that led businessmen to participate in it.37 Scherner and Buchheim likewise concede that coercion was used in cases like that of Junkers or the Reichswerke Hermann Göring, although they consider these to be normal exceptions rather than the rule.38 This tension between coercion and cooperation has forced business historians to grapple with the line between economics and questions of morality, and consensus remains maddeningly elusive.39

Lange and Reichert’s experiences reflect both the push of coercion and pull of opportunism. Although both ran into trouble with the regime soon after 1933, neither seems to have been seriously threatened by dismissal from their positions, much less imprisonment or worse. However, they both confronted a regime that demonstrated its willingness to force their industry in a particular direction through legislation, resource allocation and even expropriation. Just as importantly, each man’s authority depended on his ability to meet or mould the needs and policies of the state in a way that was advantageous to his own member firms and acted as a powerful incentive for developing a good relationship with the National Socialists, even if they were worried about the
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direction of the state. This was complicated enough, and though it might be avoided by industrialists who were simply too busy, self-interested or ‘unreflective’, Reichert and Lange were professionally responsible for trying to mediate the relationship between their branch of industry and the state.\textsuperscript{40}

Machine building and iron and steel production were both key aspects of the German economy, but they differed considerably. The iron and steel industry was slightly larger, representing 10.3 per cent of German net productive value (Nettoproduktionswert) compared to 8.2 per cent for machine building in 1927/28.\textsuperscript{41} However, machine building was a bigger employer, with 1,220,553 workers compared to 852,690 in iron and steel.\textsuperscript{42} Nevertheless, the iron and steel industry was remarkably united, whereas machine building was fragmented. Unlike iron and steel, machine builders tended towards smaller firms that depended on highly skilled (and higher paid) workers.\textsuperscript{43} The largest category of firms in Lange’s VDMA in 1925 employed an average of a mere 185.2 workers. At least 6,438 members employed fewer than 25 people.\textsuperscript{44} These small firms also guarded their independence jealously and did not trust their products to larger organizations. Instead of massive works that turned out a large quantity of standardized products, German machine builders tended to produce specialized tools. U.S. producers assembled single-use machines; German firms tended to favour more complicated ‘universal’ machines that could be adapted to a variety of tasks, gauges or tolerances in one plant.\textsuperscript{45} This fostered a more collaborative relationship with customers but also often resulted in a dizzying array of products offered by each firm, which would frustrate Lange throughout his career. At the same time, Lange’s industry and membership encompassed a wide variety of firms that produced everything from typewriters to vehicles and capital production machinery. The heterogeneous nature of the industry itself tended to make cooperation more difficult than in the tightly knit Ruhr iron industry, and before 1914 the VDMA had only managed to bring 226 firms into its organization.\textsuperscript{46} The members of this association were also uncomfortable with cartels and marketing associations. Instead, they embraced more flexible organizations that advocated liberal free trade, like the Hanseatic League and Union of Industrialists (Bund der Industriellen).\textsuperscript{47} The iron and steel industry in particular was able to use this lack of unity in the machine building industry to put the VDMA in its place when the two industries came into conflict.\textsuperscript{48}

In sharp contrast to this competitive cacophony stood iron and steel, an industry characterized by a much smaller number of very large producers and the extraordinary importance of a few powerful firms and industrialists in the Ruhr Valley in particular. Indeed, more than half of all firms in the sector employed more than 1,000 people.\textsuperscript{49} This tendency was exacerbated by movement towards massive trusts, cartels, marketing associations and conglomerates in this industry. The massive conglomerate United Steel Works (Vereinigte Stahl-
werke) alone produced over 40 per cent of German iron and steel and became the largest firm in the nation upon its creation through the merger of a variety of other large firms in 1926. This new entity and its various management boards brought together the most important German industrialists, led by the ‘most important man in the Ruhr’, Albert Vögler. This tendency to club together was embodied by the ‘Ruhrlade’, a semiformal gathering of the most powerful iron, steel and coal men in the Ruhr Valley to discuss common social and political policy in an intimate, collegial setting. This allowed the iron and steel men to speak with one voice when necessary. They used it to pursue a generally conservative, authoritarian, protectionist project that would place their industry at the centre of German social, economic and political policy.

As chief business managers of formal industrial organizations that represented these two industries, Jakob Reichert and Karl Lange occupy a peculiar place in this picture. The extent to which the German economy approximated ‘organized capitalism’ might be disputed, but German businessmen in general were inclined to participate in a variety of clubs, associations and cartels that ‘stretched like an invisible web across the German economy’. By the Weimar years, this web connected local business networks, via larger sectors of industry, to the ‘peak association’, the Reich Association of German Industry (Reichsverband der deutschen Industrie, RdI), which provided a forum for German employers as a whole. To a certain extent, these organizations allowed the economic groups they represented to divide resources and markets, share information, coordinate opinions and lobby various levels of government, establishing a set of ground rules for a system that Werner Abelshauser refers to as ‘Deutschland AG’. At the same time, they could be used ‘as transmission belts to modify or block political decisions at the top or centre’.

In the 1980s, Eberhard Kolb noted that little work had been done on major industrial organizations after the period of the Kaiserreich. With a few notable exceptions, this remains true. Structural studies of industry and politics have tended to lump these organizations together in the camp of ‘industry’, or more specifically ‘heavy industry’, in a way that obscures the actions of specific associations or actors. The Reich Association of German Industry is perhaps the most important exception to this rule, but Gerald Feldman and Ulrich Nocken have also published a useful article looking at the organizations of both the iron and steel and the machine-building industry during the 1920s. Beyond this, the field has largely been left to the anniversary Festschriften produced by the organizations themselves. With the notable exception of Harold James’ work on the banking industry, these tend to lack the critical analysis demanded by the National Socialist period in particular.

Some responsibility for these gaps in scholarship stems from problems with the source material. Much was lost or destroyed in the last chaotic days of the Second World War. This fact also impacts the present study, as the records

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https://www.berghahnbooks.com/title/BeraLobbying
of the VDMA are particularly difficult to access. Lange himself oversaw the transportation of the organization’s files to his own residence in Thuringia as Berlin was pounded by Allied bombs, and it is hard not to wonder how many incriminating documents might have been conveniently lost or forgotten in the chaos. Following the VDMA Festschrift produced by Pohl and Markner, documents still held by the association itself have also strangely disappeared, although much can be reconstructed and expanded upon through the previously unused Bundesarchiv holdings and the archives maintained by private machine building firms. Reichert and the VDESI do not present quite as many difficulties, although today it appears likely that much of the correspondence between Reichert and his mentor Paul Reusch may have been lost in the collapse of the Cologne archive building in 2009. However, Reichert’s prolific writing, his work as an editor or member of the editorial staff of Stahl und Eisen throughout his career, and his speeches as a Reichstag deputy have generated a substantial historical record. Regardless of their limitations, the extant records for these two key associations appear more complete than for most similar organizations.

A chief business manager of an industrial lobby group was in a tricky position. Unlike the industrialist presidency of each respective organization, their position was not an honorary recognition of work and reputation in the industry. Reichert and Lange were employees of their industries as a whole and were expected to deliver real benefits to their members. They developed policy, negotiated with other organizations and offices of the state, and managed the day-to-day operations of the association. At the same time, they were expected to reflect and represent the interests, opinions and prejudices of industrialists who did not always agree amongst themselves.62 Theobald Kayser half jokingly defined the business manager as a man who has the
dignity of an archbishop, self-sacrifice of a missionary, persistence of a tax collector, experience of an economic leader, who works like a coolie, has the tact of a diplomat, eloquence of a minister, general knowledge of a Nobel Prize winner, elastic mind of a politician, health of an Olympic athlete, patience of a nursemaid, smile of a film star and the thick skin of a Hippopotamus.63

While this might be more than a little exaggerated, it conveys some of the complexity faced by a chief business manager. ‘Success has many authors’, one of Reichert’s successors observed, but ‘a blunder has only one … the business manager’.64

Though this strange mixture of bureaucrat, manager, industrialist and sycophant complicates the study of Reichert and Lange, their positions also offer several advantages for the historian. Their work focused attention on the needs, interests and politics associated with their own particular industrial branches. David Abraham rightly drew withering criticism for having neatly
divided German industry into two distinct categories of light and heavy industry. Industrialists in Germany in fact wore many hats and could shift the focus of their business practice from mining through to basic production, finishing and shipping as circumstances changed. This was not the case for Lange or Reichert. While they would have been keenly aware of the variety of enterprises that major industrialists participated in, it was ultimately their job to represent one specific aspect of production in Germany. As a result, they and their organizations can provide useful insight into industrial politics that has been separated from both the needs of a particular firm or the confused web of investment across sectors.

One might also easily become lost in a chicken-and-egg argument about the temperament of individuals and the needs and structure of their industry. When did they create policy in their own image, and when were their own ideas determined by the industry they served? At first blush, it is not necessarily surprising that the representative of the iron and steel industry clashed with a regime that sought to intervene in the business of the powerful men he represented. Lange might also be forgiven for dropping a political and economic ideology that conflicted with the new government. We might never know the extent of the turmoil or doubt secreted in the breast of either of these men, but like dependent courtiers, both ultimately had to act in agreement with or flatter the interests, whims or tastes of their masters, even as circumstances changed. However, neither man was simply a cipher, and the ‘interests’ of these two industries and their member firms were not always clearly articulated. Both men had to make choices in troubled times that would have long-term consequences both for their members and themselves.

Broadly speaking, when it came to collaboration with the National Socialist regime after 1933, both industries had powerful motivations as well as considerable reservations. The iron and steel industry shared a number of important ideas and perspectives with the new government – it stood to benefit from rearmament in particular – but distrusted the interventionist or statist policies of an ideology that they feared might be socialism in disguise. Working in a liberal export dependent industry, machine builders were in a more delicate position and found themselves the target of a good deal of criticism from the Party. After January 1933 a range of responses was also possible in these industries, and the end results were not always clear. Some of the most powerful men in the iron and steel industry embraced National Socialism. Eager to make the best of the situation, Friedrich Flick quickly ingratiated himself to the regime in order to expand his enterprise significantly. The powerful Vögler himself was so deeply entangled in the regime that he killed himself in 1945 to avoid arrest and trial by the victorious Allies. Herman Röchling and Wilhelm Zangen managed to combine successful business careers in cooperation with the regime with administrative positions in the Third Reich. After
1945 a large number of other iron and steel and other industrialists, including Alfried Krupp, were arrested and tried for their actions in National Socialist Germany. There were powerful incentives for Reichert to work closely with a regime that so many of his most important members had allied with. However, this was not the only option open to iron and steel men. Vögler’s successor as the head of the massive United Steel, Ernst Poensgen, was cut from different cloth. As the head of this firm and the industrialist president of Reichert’s organization, Poensgen opposed many of the changes demanded by the new state and plays a significant part in this narrative. Reichert’s friend and mentor, Paul Reusch, also stood up to the regime on several occasions, with significant results. Other iron and steel men were deeply troubled by the regime as well.

Lange faced a similar problem from a different perspective. If his industry had a broad consensus on anything under his guidance during the Weimar years, it was the importance of liberal competition and an enthusiasm for export. After 1933, this meant he would have to betray much of what he and his members had identified as their interests and goals in order to accommodate the regime. After the war Lange was praised for his work, but not every machine builder felt the same at the time. The powerful Maschinenfabrik Augsburg-Nürnberg (MAN), for instance, maintained its distance from the Party (even as it benefited from state contracts), and one of its prominent managers, Otto Meyer, remained married to his Jewish wife throughout the period despite considerable pressure. Joachim Scholtyscek has outlined a possible ‘liberal opposition to Hitler’ that was in many ways similar to what Lange and the VDMA had advocated in previous years, and Petra Bräutigam has researched opposition to the regime in smaller firms that were not dissimilar to those Lange represented. Even mild-mannered economists with views very similar to those espoused by the VDMA at the University of Freiburg formed a variety of ‘circles’ that opposed the regime. As this text will demonstrate, not everyone in his industry was satisfied with Lange’s behaviour during the regime or wanted to embrace National Socialist ideology as he did.

Lange could not have opposed the regime as obstreperously as Reichert, and Reichert could never have dominated his industry as Lange did by 1940. However, the mix of interests, opinions, values and responses to the rise of National Socialism of the men and the firms they represented meant that neither was doomed to the path he eventually trod. German business adapted to the new regime and then to another total war remarkably quickly, but the process began as an open-ended one; none could have said for sure which path was the correct, or the most profitable, until Reichert, Lange and German industrialists had already embarked on one. Both Reichert and Lange were engaged in a complicated balancing act that weighed ideals, opportunism, fear and some of their members’ conflicting demands against each other. Throughout this
process they were guided by their own experience and judgement, beliefs and characters, which produced very different consequences. The same characteristics that led contemporaries, the invading Allies and later historians to see Reichert as deeply implicated in the rise and government of the Nazi regime ironically also made him virtually immune to much of National Socialism. The condescending arrogance that he could show to officials or lobbyists outside his industry, stubborn defence of his evaluation of the role of iron and steel in the economy, and unwillingness to compromise made him as reluctant to embrace the new regime as he had been to accept the Weimar settlement, and kept him firmly in Poensgen and Reusch's camp. His faith in the power of the industry he served also made him believe that the regime would be forced to come around to his ideas sooner or later. As a result, he became a surprisingly stout opponent of the National Socialist regime in his own way, even as other members of his own organization were successfully developing more nuanced relationships with the new state.

The opposite is true of Karl Lange. He entered the Third Reich on much shakier footing and had good reason to believe that the new regime would not tolerate much opposition from his industry. In this context, Lange's willingness to reach out across political or economic divides in order to find compromise allowed him to adapt quickly to the new dictatorship, just as it had made him a model business representative throughout much of the Weimar Republic. And whereas Reichert's thorny personality pushed him away from the NSDAP, what had once seemed like Lange's most admirable and reasonable qualities worked to draw him into a brutal and immoral regime.

The first chapter of this study examines roles and experiences the two men had in the years leading up to the triumph of National Socialism that helped to define their response to the new regime in 1933. Reichert met the challenges of the republic as the representative of one of the few surviving power blocs in Germany. The VDESI did not so much adapt to the new state as set itself up in opposition to the compromises that underwrote the establishment of the democracy. Reichert also developed a profound faith in a 'natural' economy that both favoured the German iron and steel industry and supposedly precluded the intrusion of 'politics' into the business world that clashed with the growing National Socialist movement as well as more mainstream political ideas. Lange, on the other hand, took over an organization that incorporated the politics and ethos of the new republic into itself. He accepted organized labour and the political left as legitimate bargaining partners to be engaged in discussion along with heavy industry and the political right, and cultivated a close relationship with the new democratic regime that was consistent with the organization's advocacy of a liberal economic order. Neither of these was an acceptable position in 1933, and both men had to choose how they and their industries would meet the challenge of the new government.
Chapter 2 details the transition to National Socialism and Reichert's and Lange's responses. As in the past, Reichert assumed he would be able to meet the new regime from a position of strength and direct the NS-state in ways that were useful to the iron and steel industry. He assumed National Socialism would have little effect on his own organization and hoped to use the importance of his industry to wring concessions out of the new government even as the traditional conservatism, independence and arrogance of the iron and steel industry alienated him from the regime. Lange did not share Reichert's confidence, and he scrambled to adapt his suspect industry, offering the new regime the almost unconditional support of the machine building industry and shaping his organization to reflect the ethos of the new government.

Chapter 3 examines the broader results of these different approaches to the economic and structural changes that swept Germany as the regime entered a period of massive rearmament after 1936. Lange's early attempt to ingratiate himself opened up new opportunities in the increasingly regulated world of a National Socialist Germany preparing for war. He embraced the new powers and positions he was offered as the leader of an industrial organization in a supposedly ‘organic’ economy, and integrated even some of the most offensive aspects of a loathsome regime into the functions of his organization. In contrast, Reichert could not shake off the lessons and habits of the previous years despite the increased importance of political connections and the role of the state. His reluctance or inability to take up new responsibilities as demanded by the Nazi state undermined his industry’s role in an environment made up more and more of highly competitive organizations squabbling over scarce resources. As a result, Reichert came into conflict with the regime at every turn as he attempted to preserve the old structure of his organization and industry even as the state was trying to coordinate production in preparation for war. This reflected the traditions and interests of his members, but it also shut them out of the developing regulatory system and left the chief business manager under a cloud of suspicion even as Lange was integrated into the machinery of the National Socialist state.

In the emergency atmosphere of the Second World War, these two adaptive strategies bore very different fruit. As Chapter 4 demonstrates, Reichert's consistent attempts to limit the changes to his organization meant that by 1940 he was simply unable to fulfil the demands of the regime even if he wanted to. Not only did Reichert lack the infrastructure to take his members in hand, but he had also failed to accumulate the ‘political capital’ that would allow him to secure concessions for his members during the war. As a result, the increasingly useless Reichert and his organization were swept aside in the reforms of 1942, to be replaced by a new authoritarian office that would integrate iron and steel into the regulative structure of the Nazi state more thoroughly. Of very little use now to his own members, Reichert’s authority vanished. This absence
proved to be permanent, and his failure during the Nazi regime cut him out of the councils of power in both his own industry and occupied Germany after 1945 as well. Despairing of his own political impotence and neglect by the industry he had served for so many years, the 62-year-old Reichert slipped into a deep depression before killing himself in early 1947.

Lange, on the other hand, had proven himself a willing and capable administrator in the National Socialist state, one who could marshal the support of his members and was entrusted with ever greater authority as the war progressed. Chapter 5 describes Lange’s experience during the war and post war periods. He not only survived Speer’s reorganization of 1942 – he prospered. Apparently alone amongst all the old organizational men in German industry, Lange was brought into Speer’s system as a trusted, vital regulator. This elevated him far above the industrialists he had formerly represented and placed him at the very centre of production in his industry. It also paid substantial dividends for Lange’s members. He was able to draw on his ‘political capital’ and real decision-making authority to secure benefits for a large number of German machine builders during the war. As a result, it became unthinkable to exclude Lange from the production of machines in Germany. This position persisted to the end of the war and even into the peace: when the VDMA was re-established in 1949, Lange was reinstated in his old job and charged with integrating machine building into yet another political regime.

This study focuses on bureaucratic industrial organizations whose committee reports tended to be rather dry, yet the story is surprisingly distressing. Although the authoritarian, deeply conservative Reichert strangely emerged as a thorn in the side of the Nazi government, he opposed the regime because it clashed with his vision of the iron and steel industry rather than any broader concern with the brutality of National Socialism. This kind of ‘resistanz’ made up of arrogance, interest and foot-dragging is not very romantic, and at no time did Reichert take any active steps against the regime or even appear to consider resigning his position to escape it. However, he did put up a surprising and admirable level of resistance. The reaction of the iron and steel industry was even more unpromising: rather than rally around a man who had made considerable sacrifices to stand up for their interests in a hostile environment, his former members came to ignore Reichert as his influence waned, turning instead to men and organizations who had worked more closely with the Nazi regime and could consequently be of more practical use even after the end of the war under a government of occupation. This kind of callous pragmatism does not reflect well on German industry, and it deeply wounded Reichert at a time when he was desperately in need of support, respect and a livelihood.

Lange’s case is almost the reverse. Moderate, rational and modest, he was willing to enter the world of negotiation and compromise in a liberal democracy. Yet when the economic and political climate began to change in Germany, Lange shifted with it, demonstrating that the openness to compromise
that is so necessary in a republic also allowed him to come to an accommodation with a horrific regime. Like Hendrik Höfgen in Klaus Mann's *Mephisto*, Lange proved quite willing to trade in his former political and economic values after the change of regime. In return, he enjoyed a splendid personal career in the Third Reich and was able to achieve many of his long-term goals for his industry. If Lange was uncomfortable with aspects of the National Socialist state, he, like Höfgen, did not allow this to spoil a productive relationship. Moreover, machine builders seemed to approve of this arrangement. While Reichert languished in isolation, Lange's members rallied around him after the war. This was not simply a question of trading ideals for personal power and profits for his members. Chronology is important here. Lange and his members were engaged in a long game whose terminus remained unknown. His accommodation with the regime risked alienating his own members before it could pay them dividends. The chief business manager initially turned to accommodation out of fear, insecurity and the weakness of his industry. However, this policy yielded tangible results as the state began to turn to industrial lobby groups to regulate the economy, and Lange systematically seized every opportunity to involve himself in the life of the regime. While some of his members began to benefit from this soon afterwards, many did not, and all German machine builders quickly found themselves under a level of regulation that would have been unimaginable in the fractious industry only a few years before. The broader benefits from the spoils of war and higher profits came later and did not extend to everyone in the industry, but they allowed German machine builders to take advantage of the National Socialist regime through Lange and his organization.

Collaboration with a terrible and terrifying state worked. German industry as a body rewarded what worked, not what was consistent, admirable or conscionable. At various times both of these men were free to make some of the choices Buchheim and Sherner have noted, albeit under difficult circumstances, but consequences followed sooner or later. More disturbingly, rewards for collaboration and punishment for resistance came from Reichert and Lange's own members as much as from the state. Businessmen and their firms faced coercion from the state, but they also became an important component of a coercive state that was able to blend threats and opportunity under a monstrous ideology that drew business and industry into its orbit one way or another.

**Notes**

2. BAB R 9 VIII/4 ‘Wilhelm Grillo Handelsgesellschaft GmbH an die Vorprüfungsstelle Apparatebau, 13.1.1940’.


37. Hayes, From Cooperation to Complicity, 19, 114.
41. Weisbrod, Schwerindustrie, 34.
49. Weisbrod, Schwerindustrie, 95.
51. Reckendrees, Das 'Stahltrust' Projekt, 304.


60. Festschriften on the iron and steel associations and VDMA have been particularly useful to this study. See Pohl and Markner, Verbandsgeschichte und Zeitgeschichte, 15; H. Übbing. 1999. Stahl schreibt Geschichte: 125 Jahre Wirtschaftsvereinigung Stahl, Düsseldorf: Verlag Stahleisen.


64. Ibid., 22.

65. See, e.g., Hayes, ‘History in an Off Key’, 456–58.


68. Frei, Karrieren im Zweilicht, 73–130.


