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Upper-Middle-Class Complicity in the National Socialist Phenomenon in Germany

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Abstract

The original research element of this thesis consists of the study of an emerging professional association of senior managerial employees in business and industry in Weimar Germany. This association, which went by the name of VELA, Vereinigung der leitenden Angestellten, or the Organisation of Leading Salaried Employees, was founded in December 1918, and continued in existence until December 1934. Utilising a complete collection of VELA's bi-monthly members' periodical, the development of a coherent ideology of elitism is traced from 1919 to 1933, with the emphasis upon the crystallisation of a world-view compatible and congruent with that of National Socialism by 1924/25. Political convergence with, and support for, the Nazi Party then followed some time after the onset of the Great Depression. A detailed study of the process of Gleichschaltung, or co-ordination, in the spring and summer of 1933 is used to illustrate how easily, readily and enthusiastically VELA embraced the coming of a New Order in the Third Reich.

The thesis of complicity in the rise of National Socialism is extended to the wider upper middle classes by enlisting the support of recent research into the professions, the nexus of bourgeois Vereine (clubs and societies) which covered Weimar Germany, and electoral analysis, especially that relating to the Reichstag election of July 1932. This material, combined with evidence of the huge overrepresentation of the upper middle classes at every level of leadership within the Nazi Party, is used to challenge the long-held view that National Socialism was a petit-bourgeois phenomenon. The resultant interpretation contends that it was the well-educated and well-off upper middle classes who were not only the socio-economic sector of Germany which was most likely to support the Nazi Party, but were also the NSDAP's prime movers and shakers, its most important leadership component and, perhaps most significantly of all, forgers of its very ideology. It is further argued that National Socialist thought did not just emerge from within the Nazi Party itself, but also grew up autonomously and contemporaneously within the various milieux of Weimar Germany's upper middle classes. An analysis of the
nature of National Socialist ideology contends that the NSDAP’s elitist, undemocratic world-view, based on the Social Darwinist principle of the survival and prospering of the best and fittest, was not guided by an atavistic Blut-und-Boden (blood-and-soil) outlook, but was in fact a forward-looking and modern doctrine which embraced technology and industry in order to fulfil one of its most basic goals - the fighting of modern wars to gain Lebensraum, or living space, for the superior Aryan German race. The upper middle classes in general, and senior managers in particular, were very much part of the modern world and their elitist thinking was informed by a technocratic, meritocratic and achievement-oriented vision. The latter two elements of that vision indicate that their thinking was also infused with liberal beliefs, and it is the final contention of this thesis that liberalism has a dark side to it, so dark that it can be attributed as one of the feeder streams which informed the congruent ideologies of the NSDAP and large swathes of Weimar Germany’s upper middle classes.
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Introduction

The central purpose of this thesis is to contribute to the challenge that has emerged over the last twenty years to the previously long and widely held theory that the rise of the Nazi Party, its policies during the Third Reich and its very ideology were largely a lower-middle-class phenomenon. One direction of attack has focused upon the greater level of support received by the Nazis from the working classes, rural labourers and the unemployed than was previously conceded. From about 1982, with the publication of Richard Hamilton’s *Who Voted for Hitler*, there has also been a challenge from the other direction, arguing that the upper middle classes endorsed and embraced the NSDAP (*Nationalsozialistische Deutsche Arbeiterpartei*) much more than the lower-middle-class thesis allowed.

The work of historians such as Michael Kater, Konrad Jarausch and Jane Kaplan, among others, has shown how deeply involved members of the *Bildungsbürgertum*, the educated bourgeoisie or upper middle class, were in supporting the Nazi Party and in both marginalising and destroying its perceived enemies. However, rather less has been said about another section of the upper middle class, its salaried senior-management component who, by and large, worked in the big-business sector. This is not the same group who were the subject of debate over big business and its support for Nazism, carried on by, *inter alios*, Henry Ashby Turner and David Abrahams, but rather those who were one or two rungs below the owners and entrepreneurs - the managers of their businesses. This latter group provides the subject matter for the original research component of this thesis. The third section, the entrepreneurial upper middle class, or owners of medium-sized businesses, is an as yet very under-researched area.

The focus of this study is upon the ideological component of National Socialism, although a certain amount of attention is necessarily paid to the membership of, and electoral support for, the NSDAP. A counter-thesis to the idea
that Nazism was a petit-bourgeois political movement and doctrine emerges, suggesting that the upper middle classes were far more complicit in its thinking, while also providing the bulk of its leadership. This is not to say that I am intending to replace one quasi-deterministic socio-economic theory with another, but rather to suggest that a certain sector of early 20th-century German society, whose economic and social muscle had been growing for several decades, now seized the opportunity to translate that strength into greater power, including the political, under the stressful and unique conditions of German society in the 1920s and 1930s. Germany was not the only country in which the upper middle classes were finding their power and influence on the increase; this was a universal phenomenon among capitalist societies of the world at this juncture, but each produced a different outcome depending upon the political and social circumstances of each nation. In the case of Germany, these circumstances inclined a greatly disproportionate number of the upper middle classes to vote Nazi, join the Party, supply its leadership, identify with its Weltanschauung or world-view, and ultimately collude in its policies of discrimination and destruction.

Because this study largely focuses on the years up to 1933, it is not particularly concerned with aggressive nationalism or anti-Semitism, although these were of course two central and indispensable elements of National Socialism. Aggressive imperialist nationalism grew out of aggressive revisionist nationalism, the latter being of much greater concern and electoral attraction for the German population at large in the 1920s and early 1930s than any wish to annex the Sudetenland or Bohemia and Moravia, far less the western lands of the Soviet Union. Although a desire to conquer and colonise land in the east was evident in Mein Kampf, invading and subjugating the neighbours was not a central plank of the NSDAP's pre-1933 electoral programmes; neither was eliminationist anti-Semitism, despite Hitler's lengthy vitriolic tirades against the Jews in the same book. While accepting Ian Kershaw's argument that Hitler, personally, had already, by 1924/25 at the latest, incorporated into his Weltanschauung the link between war against the Soviet Union for Lebensraum, or living space, and the destruction of the Jews, Daniel Goldhagen's contention that German anti-Semitism was more insidious and virulent than prejudice
against Jews elsewhere in Europe, and that the German people were therefore latently and inherently ‘eliminationist anti-Semites’, is both fatuous and racist.\(^{[8]}\)

Not only was anti-Jewishness not pushed to any great extent by the Nazis during the Weimar years outside of the circles of the faithful,\(^{[9]}\) but I would contend that, apart from doctors and lawyers who had their own intra-professional crises to deal with, until about 1933/34, the upper middle classes as a whole were among the least receptive of the major socio-economic groups to the appeal of anti-Semitism. The anti-Jewish pogroms of 1933 were largely unauthorised and carried out at the instigation of the SA, an organisation whose rank-and-file membership was largely working class and whose proportion of upper-middle-class adherents was small, even among its senior ranks.\(^{[10]}\) Anti-Semitism evolved gradually in intensity and virulence during the Third Reich in the broader context of escalating racial discrimination and hatred, building upon an already high base-level of anti-Jewish bigotry inherited from previous European history and encouraged by the personal antipathy, and indeed sociopathy, towards the Jews of the topmost echelons of the NSDAP.\(^{[11]}\)

Through a re-examination of electoral studies undertaken by several historians in the 1980s, by references to works on specific professions and on the network of clubs and societies (\textit{Vereine}) which existed during the Weimar Republic, and by means of a case study of the largely under-researched area of upper management in German business, I hope to add to the evidence that the upper middle classes had more links to the Nazi Party than was generally recognised in the historiography of National Socialism until fairly recently. However, this study has both narrower and wider implications than this might imply. It is not my intention to create a new interpretation of history based upon a model of class conflict as the driving force of social change. On the other hand I do recognise that political opinions and world-views are indeed influenced by one’s social and economic position in society. In the case of the upper middle classes in Germany in the 1920s and 1930s, I would contend that their place in society inclined them towards supporting the NSDAP, not necessarily immediately, and sometimes via other right-wing splinter political parties.
which acted as stepping stones on their way to the Nazis. More importantly, this process was also precipitated through the refining and bringing to prominence of certain strands of their underlying world-views.

It is here that the wider implications emerge, since it is explicit within my analysis that it was certain facets of liberalism which provided much of the ideological basis which motivated so many of the upper middle classes to embrace National Socialism. On the assumption that the majority of the German upper middle classes were inclined towards liberalism of one sort or another, an assertion that is well backed up by a wealth of historical studies of both liberalism and the bourgeoisie in Germany from the middle of the 19th century until the Weimar period, it is my contention that this major socio-economic group was ideologically, and therefore politically, more susceptible to certain core elements of the National Socialist Weltanschauung than almost any other sector.

An element of this study centres upon a critique of the philosophical underpinning of liberalism and upon one of the major outgrowths from this canon of thought in Germany in the late 19th and early 20th centuries - liberal elitism, characterised by its adherence to possessive individualism, by its intense nationalism, by its hostility to egalitarianism and universal democracy, and by its faith in the superior spiritual, cultural and political abilities of elite leaderships. Contained within this ideological construct are beliefs in achievement and performance (Leistung), meritocracy, progress and social mobility. None of these ideals in any way requires or prompts anti-Semitic or any other racial prejudice, and may in fact militate against them. That the German upper middle classes were anti-Semitic is not being denied here; nor is the fact that they became increasingly so in a National Socialist state in which they prospered and with whose aims and methods they came more and more to identify. The source of their prejudice against Jews came from an intellectual and cultural heritage separate from their liberal ideology, and was encouraged and magnified during the Third Reich by the selfish advantages it conferred upon them to clear away rivals in their professions and businesses. Cultural
or religious anti-Semitism, widespread among the Wilhelmine bourgeoisie, had already begun to transmute into racial anti-Semitism in the late 19th century, so it took only a short step to embrace the wider ethnic and Social Darwinist underpinnings of National Socialism that justified the programmes of Aryanisation which proliferated after March 1933. Belief in a meritocracy was, to some extent, a patina beneath which the more basic acquisitive and self-aggrandising tenets of possessive and laissez-faire individualism could shelter and gradually emerge in the increasingly compassionate Third Reich, thereby creating a self-soothing reassurance of virtue, while simultaneously paying lip service to the loudly acclaimed demand and assertion of the public face of National Socialism that ‘the common good takes precedence over self-interest’ (Gemeinnutz geht vor Eigennutz).

However, genuine belief in the above-mentioned tenets of achievement, performance, meritocracy, progress and social mobility, coupled with an acceptance of hierarchy, an advocacy of strong leadership, and a belief in the inevitability and desirability of elites, were the principal factors which made it possible for liberals to make the political and ideological transition to National Socialism so easily. Yet, for decades, liberalism has long been accepted, as much as socialism, as the antithesis of Nazism. How is this to be explained? The answer lies in a re-examination of what German liberalism’s most central values were and, indeed, of what liberalism in general has meant to liberals over the last 150 or more years. Late 20th-century liberal democracy and social liberalism are very different creatures from classical liberalism or economic liberalism, both of which are nowadays associated with right-wing conservatism, and both of which are much closer to mainstream German liberalism of the Weimar era. These are altogether harsher, more dog-eat-dog ideologies. From about 1928, once they had abandoned their early anti-capitalism, the Nazis were effectively espousing a meritocracy, albeit one with very strong racial criteria, which was to operate within the bounds of a competitive capitalist system. Yet the concept of a meritocracy, like the concept of Leistung or achievement, was part of the very heart and soul of liberalism. Thus, far from being the antithesis of the DVP (Deutsche Volkspartei, or German People’s Party), the Weimar right-wing liberal party, the
NSDAP appears to have been closer to it in ideological outlook in many important respects than it was to the conservative DNVP (*Deutschationale Volkspartei*, or German National People's Party).[19]

Again, of course, not all liberals were predisposed to making the ideological move towards Nazism. For those whose beliefs were largely founded upon political liberalism, and even more so upon social liberalism, it is more probable that their world-views would incline them to find National Socialism both brutal and profoundly unprogressive. These two forms of liberalism are more inspired by ideas of tolerance, democracy and relative equality than the cut-throat world of unbridled individualism, hierarchy and consequential differential rights which characterise economic liberalism. Nevertheless, political liberalism has not always been synonymous with the acceptance of full political democracy. Universal equal suffrage was opposed by most 19th-century European liberals, and even in the early 20th century, many viewed it as merely a means towards creating a society and polity more in tune with a deeper, more fundamental belief in individualism and meritocracy, or as a way of thwarting revolutionary socialism and egalitarianism.[20] If the democratic system was perceived not to be delivering the 'rule of the worthy' (as particularly many in the upper middle classes believed in the late Weimar era), then it would be worth sacrificing this relatively new machinery and replacing it with a more effective one.

It is for these reasons that I put forward the thesis that it was far more the result of an upper-middle-class 'revolution' in the 20th century than the lack of a bourgeois one in the 19th century which made the Nazi takeover of power possible, and that this was even more of a liberal phenomenon than a conservative one. This theory receives a measure of corroboration from the observation that the conservative DNVP vote held up much better than the two liberal parties' vote in the last five years of the Weimar Republic. And where did that lost liberal vote go? It went to the Nazi Party, sometimes directly, sometimes via a vote for the proliferation of single-interest splinter parties which blossomed around 1928 to 1930, only to vanish almost completely in 1932 and 1933.[21]
Two quotations may serve to illuminate the opinions I am expressing. The first is from Alexander Herzen, the 19th-century Russian writer, who said, 'Liberals want freedom, and even a republic, provided it is confined to their own cultivated circles. Beyond the limits of their moderate circle they become conservatives.' The second is by Anthony Arblaster, a current writer on political thought, who said, 'The.....

social-democratic version of liberalism which is suited to capitalism in its periods of growth and stability, yields place to a more oldfashioned 19th-century version of the creed at moments of crisis. At these moments, a robust defence of property, initiative and "free enterprise" is what capitalism requires; and the old ideology of laissez faire is there, in a suitably updated form, to meet this end.' Late Weimar Germany was certainly an epoch of crisis, and in this period the core liberal values which continued to protrude above the receding waters of social and democratic liberalism were possessive individualism and negative freedom, both of which conferred upon the powerful, the wealthy and the well educated the power to hold on to and exploit their positions. Under the cloak of the Volksgemeinschaft (people's racial community) aphorism of the interest of the community coming before the interest of the individual, liberal individualism for the few flourished in both the Nazi Party itself and in the polyocratic Third Reich, while the doctrine of the Führerprinzip, or leadership principle, gave those in positions of power licence to dominate and dictate unquestionable orders to those beneath them. This manifested itself in the endemic levels of corruption which prevailed in the NSDAP and infected government, administration, business and society at large to an extent probably never seen before or since in German history.

In order to study whether this propensity of the upper middle classes for supporting or identifying with the ideas of the Nazis is a valid thesis, it is necessary to look beyond the electoral voting patterns. The actual component parts of the upper middle classes need to be identified and analysed. Much work has been done on looking at the professions, such as doctors, lawyers, academics, engineers, higher civil servants and even psychiatrists. Most of these studies have tended to show that,
from the late 1920s, support for the NSDAP flourished within the official organisations of these disciplines and that the Nazi Party itself had enough members drawn from these professions to create separate specialist groups for most of them within the structure of the Party. This is all grist to the mill of this thesis, but as Konrad Jarausch points out, the German professions made up only about 2% of the German workforce in the Weimar period, and therefore they and their dependants must have numbered roughly the same percentage of the population (or perhaps somewhat more, given the greater preponderance of non-working wives and other female family members in professional households than in those of lower socio-economic classes). Working on the basis of the upper middle class constituting about 7-10% of all Germans, this begs the questions of who the rest of this social class were and whether they were such keen Nazis as engineers and doctors. Undoubtedly a good number of these people were independently wealthy, retired or else owned medium-sized businesses and may have supplied a further 3-5% of the total. The remainder are made up of the more senior salaried employees working in the private sector, the leitende Angestellten or leading white-collar employees. It is this latter group who were chosen for the purpose of providing a case study for investigating whether another major component within the upper middle classes as a whole exhibited the same ideological tendencies as the professions.

Very little has been written about senior salaried management in the Weimar era, and even their numbers are a matter of conjecture. Most historical works which deal with the socio-economic makeup of Germany in the 1920s and 1930s tend either to group them with the employer class or else to make no differentiation between senior managers and the rest of the white-collar workforce. When I began research into who these employees were, whether they had developed a sense of identity and what sort of social and economic organisations they might have joined or created to safeguard their particular interests, a frequent response of academics with whom I corresponded within the field of Weimar history was to suggest that no such sense of common self-awareness existed, and that senior management was most likely to have found representation within the employers’ associations. Few seemed to entertain
these members. A limited number of published photographs within the pages of Der leitende Angestellte in the summer and autumn of 1933 show that the leadership of the organisation very quickly donned Nazi uniforms after the Machtübernahme, while a dozen or so leading lights were revealed as long-standing Party members. In addition, the editorials of the magazine began lauding the NSDAP and pouring praise upon Hitler in March 1933. Within weeks, the periodical was littered with articles written by overt Nazis extolling the wisdom of National Socialist economics and politics.

Of course, one has to be sceptical when dealing with post-Machtübernahme publications. For a start it would have been suicidal not only to have criticised the regime, but even to have attempted to ignore it. One could argue that the only way to survive as an organisation in the Third Reich was to appear to embrace National Socialism. However, many organisations which attempted this to a greater or lesser extent soon went under, most notably the trades unions, political parties and even church organisations. Only a few employer associations managed to survive beyond 1934, and that was due to bribery and a willing acceptance of the political aims and economic demands of the Nazi leadership. Equally Gleichschaltung (co-ordination) could be achieved by packing the leadership of organisations with NSDAP members and forcibly nazifying them. This occurred from the smallest sporting clubs to the largest professional organisations across Germany in just a few months in 1933. However, although VELA did indeed see something of a change in leadership in May 1933, very few of the old guard were actually removed, while only a handful of new NSDAP outsiders were brought in to join the existing, reshuffled board of directors and executive committee members. This suggests that many of the retained (and sometimes promoted) leadership were seen as sufficiently ideologically sound to retain overseership of such an important organisation of strategically placed managers within the German economy.

The post-Machtübernahme articles in Der leitende Angestellte are therefore useful in themselves for showing the degree and nature of VELA members' support
for National Socialism, but what makes them even more revealing is seeing how the ideas being propounded after March 1933 are in many cases continuations, elaborations or radicalisations of ideas that were being discussed in the journal’s pages before that date. One of the most important themes seems to have been that of the *leitende Angestellten* as a unique socio-economic group within German society. Over the course of the 1920s and on into the 1930s, the notion that senior management held a special position bridging the divide between workers and the owners of the means of production came to be propounded, accepted and garnished by editorial writers and contributors to *Der leitende Angestellte*. It took less than a decade for the realisation of the strategically powerful position they held at that particular stage of capitalist economic and industrial development to develop into the self-flattering claim that it was the special spiritual/creative/intellectual nature of their work which set them apart from other groups or other men. Concurrent with this process went the genesis of a belief that their critical position between capital and labour endowed them with a greater understanding of what was in the national interest and somehow made them a group which was more likely to act in a disinterested way for the greater national good than greedy capitalists or selfish sectarian workers - a noble and selfless technocratic nationalism.

The adjective they used to describe the apparently sublime character of their executive work was *geistig*, a word which does not translate easily into English. While it carries the sense of intellectual or ‘of the mind’, it is strongly infused with the notion of spiritually-imbued thinking. In much right-wing thought and writing of the period in question, the word *geistig*, often in conjunction with the term *Kultur* (culture), was specifically used to contrast with the concept of *intellektuell* (intellectual) thought which was held to be a product of flaccid, foreign-inspired, unspiritual and, indeed, unpatriotic ideology. The concept was also associated with materialism, and this gave rise to problems for those working within the very materialistic world of modern German business: how could they reconcile business, industry and indeed the current mode of capitalist production with the essentially
Romantic and often Arcadian irrationalism (or at least anti-rationalism) which informed *geistig* nationalism?

Jeffrey Herf has shown how engineers in Germany in the late 19th and early 20th century wrestled with the problem of reconciling *Technik und Kultur*, or technology and culture, eventually settling upon technology's creativity factor as its spiritual credentials.\(^{36}\) He described the ideological fruits of this project, which led so many engineers to become enthusiastic participants in, and supporters of, the Nazi Third Reich, as Reactionary Modernism.\(^{37}\) This conceptualisation informs part of the interpretational framework used in this study to investigate the world-views, ideological beliefs and political inclinations of the upper-management members of VELA. Many of VELA's members were in fact qualified engineers themselves, but chose to join an organisation which united a level of seniority across many professions and businesses rather than one which represented only engineers and included the lowliest shopfloor draughtsman. Thus it would seem likely that this overlap in personnel, areas of expertise and location in the modern economic sector would have led to similar thinking and similar resolutions between engineers and upper management whether members of VELA, members of other management representative associations or unorganised individuals.

Much more work needs to be done on the role of senior managers in the Third Reich to complete the picture of their complicity in the phenomenon of German National Socialism. It is clear that senior management in the giant chemical company IG Farben were co-opted to work on, administer and run the Four-Year Plan and did so with great enthusiasm\(^{38}\). It is also a generally accepted fact that the great majority of German big businesses co-operated with, and benefited from, the Nazi regime,\(^{39}\) but little research has been carried out to differentiate between the involvement of the owners of big business and the involvement of their salaried managers in collaborating with the Nazi regime or adopting National Socialist beliefs and aims. The case study in this thesis covers only a 15-year timespan between December 1918 and December 1933, and so the focus in this work is upon the development of an ideology
compatible with National Socialism within a major component of German upper management.

The lower-middle-class or ‘Centrist’ theory is one that has been around from the 1930s and was for a very long time almost universally accepted within liberal and Marxist interpretations of the Third Reich, and more especially within their analyses of the rise and the support for the NSDAP in the years up to 1933.\[40\] I intend to show that this is not only a mistaken analysis, but also one based upon prejudiced views of the lower middle classes, often referred to as the petite bourgeoisie whose very nomenclature has taken on a pejorative sense of small-mindedness and bigotry. While not denying that many among the lower middle classes were indeed narrow-minded, self-important, anti-democratic bigots, I would contend that the upper middle classes actually developed and made respectable much of that way of thinking, and effectively encouraged those below them to imitate and adopt similar attitudes. Those who despise the petite bourgeoisie often castigate them for their servile and poorly executed attempts to mimic their social and economic betters. If this analysis holds as true for the lower middle classes in the 1920s and 1930s as it apparently does for such commentators in all the rest of the modern era, then the conclusion must surely be that the lower middle classes were only aspirant Nazis, while the upper middle classes were the real thing! Despite the whimsicality of that line of reasoning, the thesis of this piece of work is just that - the upper middle classes were one of the main agents of the rise and coming to power of the NSDAP, as well as helping to provide it with an ideology that was more coherent, more ‘rational’ and more modern than most people would like to think of such a barbaric movement.\[41\]


[10] Conan Fischer, 'The Occupational Background of the SA's Rank and File' in Stachura


See note [4].

Jarausch, ‘Crisis of the German Professions’, p.392.
[28] The figure for the size of the German upper middle class is based upon Richard Hamilton's estimate, taking into account that his study dealt with Germany's larger cities, although I may have erred somewhat on the conservative side by setting the lower parameter at only half his figure of 14%. Hamilton, *Who Voted?*, pp.44-46.

[29] Brief treatments are contained in: Robert A. Brady, *The Rationalisation Movement in German Industry*, Berkeley, 1933, pp.315-317; Jürgen Kocka, 'Entrepreneurs and Managers in German Industrialisation' in *Cambridge Economic History of Europe. Vol. VII, Part I*, 1978, pp.574-584 (although this concerns itself mainly with the years up to 1914, it has some relevance for the Weimar period).


[31] In correspondence with me in June, 1996, Dr Hartmut Kaelble of the Berlin Humboldt University wrote, “As far as I can see the managers have not been organised as a profession separately from the business owners.” In the same month, Professor Dick Geary of the University of Nottingham wrote to me saying, “Most of the people who figure in Turner, Abraham et al are ‘managers’ rather than owners, even in big business. So their organisations were the organisations of the industrial lobby (Reichsverband der deutschen Industrie, Langhansverein, etc), rather than separate.” In July of 1996, Professor Charles McClelland of the University of New Mexico, Albuquerque, informed me that, “My impression is that one cannot speak (1900-1933) of an ‘organisation of business managers’ as such in Germany. There was only an emerging sense of ‘Privatbemte’ and private administrators having a common ‘profession’. Actual administrators appear to have been drawn from all sorts of diverse backgrounds and educational paths, from law through the relatively new branch of Volkswirtschaftslehre on through engineers and academically untrained businessmen with backgrounds in commerce and industry. It would be hard to find a group identity among them, I concluded, at least before 1933.” Two notable exceptions to the scepticism about the very existence of a Weimar organisation of senior managers were Professor Volker Berghahn of Brown University, Rhode Island, and Professor Konrad Jarausch of the *Zeitforschung in Potsdam, who both felt it was a fruitful area for research and one which could help shed light on “the relationship between industry and the rise of Hitler” (Berghahn) and “the Abraham/Turner/Petzold stalemate on the question of the Nazis and business” (Jarausch).”

[32] The information that the archival records of VELA were destroyed by a combination of the Nazis and the war was conveyed to me in a letter from Bernd Anders, head of the Deutsche Angestellten-Gewerkschaft Bibliothek und Archiv, Hamburg, 29th July, 1997.


Chapter 1

The Great Escape of the Upper Middle Class in the Historiography of Weimar and Nazi Germany

In the years immediately following the Second World War, many Western historians tended to see Nazism as a specific manifestation of an inherent German disease which had caused this troublesome people to engage in aggressive warfare over the centuries, and which had culminated in responsibility for the outbreak of two world wars within 25 years of each other.\[1\] By contrast, conservative West German historians portrayed Nazism as an aberration, as an alien growth on an otherwise sound national development.\[2\] After the sterile 1950s’ and 1960s’ Cold-War-influenced attempts to explain National Socialism as part of a totalitarian phenomenon and as generically similar to communism - certainly as comparable to Stalinist communism\[3\] - there emerged a widely accepted analysis which said that Nazism was the direct consequence of Germany’s late and unique development as an industrialised and urbanising society. This is generally referred to as the Sonderweg or special-path thesis which held that, because Germany’s economic modernisation process was qualitatively different from that experienced by Britain, France and the United States, it underwent a deficient political modernisation process resulting in an enduring lack of liberalism and democracy. The arch-doyen of this thesis was Hans-Ulrich Wehler, and it was central to most modern Marxist historical analyses. In this analysis the idea of the ‘missing bourgeois revolution’ was important and became an explanatory tool for both Marxist and many liberal historians. In essence this concept argued that, because the German bourgeoisie failed to achieve political power in the 1848 upheavals, and because Germany was united by conservative and aristocratic forces under Bismarck, the old elites continued to guide Germany’s political destiny and deny the development of modern democratic structures which had occurred in other industrialised countries. When this political arrangement
became untenable in the context of the Weimar Republic and repeated economic crises, the forces of anti-democratic extremism exploited Germany's democratic deficiency to destroy the fragile parliamentary republic.\[4\]

The internal logic of this thesis suggests that if the bourgeoisie had managed to wrest political power away from the traditional elites of aristocracy, Junkers, military officers and high-ranking civil servants, then the course of German history would have followed a less aggressive as well as more democratic course. A more convincing interpretation, however, suggests that the upper levels of the bourgeoisie settled for a post-1848 compromise; they opted for economic and social gains, which consolidated their privileged status and position in German society, in exchange for the old elites continuing to occupy the major national offices of state in the political sphere, and continuing to enjoy the most prestigious social status of all.\[5\] Neither the liberal nor the conservative bourgeoisie favoured a universal franchise;\[6\] it was Bismarck who introduced manhood suffrage purely for the purposes of political advantage to himself and his class.\[7\]

It might further be argued that the coming to power of National Socialism was a sort of late bourgeois revolution, or, to put it much more accurately, and using a term more suitable to early 20th-century Germany, an upper-middle-class revolution. By the Weimar years, the top levels of what had been the 19th-century bourgeoisie, the owners of big business, had long been part of the ruling classes or uppermost elite.\[8\] It was, at least in part, against this political and economic establishment that the German upper middle classes, consisting principally of the professions, the owners of medium-sized businesses and the salaried senior managers in larger businesses, were in revolt. When the state could no longer organise the political unity of the dominant classes, as happened in Weimar Germany, and as became particularly apparent in the crisis of the Depression years, the upper middle classes staged their revolution through the means of the Nazi Party, aided by a widespread loss of faith in the legitimacy of the political system across all classes.\[9\] Their active role in this ‘coup’ consisted of their electoral support for the National Socialists, widespread
membership of the Party, a disproportionate influence and participation in the upper ranks of the NSDAP, and a large role in the formulation of Nazi ideology. While the aristocratic elite around President Hindenburg played a key role in Hitler’s appointment as Chancellor, the possibility of such a situation arising only came about as a result of the strength of the NSDAP, a strength owing much to upper-middle-class support and organisation.

After the Nazis came to power, even larger numbers of the upper middle class embraced the Party and the new regime, collaborating willingly in all its policies, including the ‘euthanasia’ and sterilisation programmes, the ostracisation, persecution and eventual extermination of the Jews, the diabolical medical experiments in the concentration camps, the perversion of the rule of law, and the widespread use of slave labour in the German wartime economy. In essence it was the result of an upper-middle-class revolution rather than the lack of a bourgeois one which contributed to the emergence of the Third Reich; and this revolution was a blatantly undemocratic affair, one of whose aims, under a cloak of pious national interest, was to enhance the power and status of the upper middle classes. For a long time this educated and well-to-do sector of German society escaped blame for the rise and coming to power of the Nazis, as well as for its roles in the Third Reich. Many historical, political and sociological accounts portrayed them as continuing to support alternative nationalist and right-wing parties right up to 1933, only becoming reluctant converts thereafter. Instead the lower middle classes or petite bourgeoisie were held responsible for providing the NSDAP with its largest support. Indeed the very essence of National Socialism has sometimes been described as a farrago of petit-bourgeois prejudices, with Hitler exemplifying the archetypal narrow-minded parvenu from the lower middle classes.

In between the theories of totalitarianism and Sonderweg, there was a brief discussion and promulgation of the idea that National Socialism created a social revolution in Germany, that social mobility and social equality increased in the Third Reich, and that it was during this era that the power of the traditional old elites - the
Junkers, aristocracy and military families - was finally broken. All this paved the way for the *Wirtschaftswunder*, or economic miracle, of the postwar period. This view effectively sees National Socialism as a 'modernising force', and was put forward most notably by Ralf Dahrendorf and David Schoenbaum in the mid-1960s. They argued that the social revolution was really the *unintended* outcome of National Socialist policies. Dahrendorf claimed that the Nazis completed the social revolution which had been lost in Imperial Germany and held up by the contradictions of Weimar - but this was in spite of, and not because of, their intentions. The Nazi aim was in fact to return to the values of the past, but in order to hold on to and consolidate power, and in order to carry out imperial conquest as part of their project, they were forced to adopt modern means. In particular this meant building up the industrial and hence capitalist sector of the nation. Schoenbaum described this as a double revolution: a revolution of ends which was ideological and directed against bourgeois and industrial society, and a revolution of means which was bourgeois and industrial and necessary in order to fight a modern war. What in fact prevailed was the modernisation process.

This thesis was much criticised subsequently as euphemising or tending to exonerate Nazism - it could not possibly be regarded as modernising because this implied that it was progressive and that it moved Germany forward on to a more advanced (and, by implication, civilised) phase of its development. Marxist historians in particular condemned this interpretation as apologist, as a bourgeois pseudo-doctrine of industrial society and as blatantly anti-Marxist. Perhaps because few historians wished to be seen as providing any sort of mitigation for the evils of the Nazi regime, the link between National Socialism and modernisation was not pursued again until the late 1980s, when modernisation and modernity themselves were critiqued, and no longer automatically accepted as positive norms or a given good. Perhaps, too, the dominance of the *Sonderweg* theory in Nazi historiography played its part, because the 1970s were largely dominated by Marxist theories - whether being propounded by their advocates or refuted by their opponents.
Both the 1960s' theories of modernisation and the Sonderweg theory portrayed the National Socialist phenomenon as counter-revolutionary in intent and essentially backward-looking. Both theories upheld the idea of the 'missing bourgeois revolution' which argued that, because of the peculiarity of Germany's fast and late industrialisation, there was not a proper adaptation of political culture to the new socio-economic developments. A 'proper adaptation' here refers to the model pursued by other Western industrialised nations - Belgium, France, Scandinavia and, above all, Great Britain and the United States. The structural arguments concerning the developmental experiences were put forward by Barrington Moore in *The Social Origins of Dictatorship and Democracy*, where he saw a relationship between 'developmental trajectories' and the social composition of the modernising coalition (i.e. the governing elite). In Germany's case the developmental experience was uneven or partial, and the governing coalition was dominated by pre-industrial survivors, namely the aristocracy and landowners, at the expense of the historically progressive bourgeoisie.\(^7\)

The Sonderweg theory has, in its turn, been challenged since around 1979. The principal counter-thesis has been expounded by David Blackbourn and Geoff Eley. They have firstly argued that the Sonderweg theory is merely a turning on its head of an older German nationalist concept of the uniqueness of German historical development (arising from the special qualities of her culture and national character, an idea which, in the second half of the 19th century, became increasingly associated with theories of racial difference). This view, which emerged at the start of the 19th century and endured until 1945, interpreted German history and its 'peculiarity' as a positive good. Then, with the apparent culmination of this special historical development resulting in the barbarity and shame of the Third Reich, the positive interpretation of German uniqueness lost favour and credibility among historians of all political colours.\(^8\) It was nearly twenty years before the Sonderweg exponents revived this concept, but this time in order to criticise the development of German history and society. Now Germany was seen to be, not the pace-setter of progress, but a nation out of step with a perceived norm of modern industrialised development.
Its 'special path' was a negative, aggressive and non-democratic course arising from the failure of the 19th-century bourgeoisie to create a healthy and vigorous liberalism and from allowing themselves to become subordinated to the old, indeed feudal, elites of aristocracy, large landowners and the military.\[19\]

The Sonderweg theory was greatly helped, and probably in part inspired, by the appearance of Fritz Fischer's *Griff nach der Weltmacht* in 1961. Fischer had argued that Imperial Germany was seeking war in Europe from 1912 as part of a policy of social imperialism embarked upon by the unaccountable old elites clustered around the Kaiser and monopolising the higher levels of government, administration, diplomacy and the military.\[20\] This thesis could be used to support the Sonderweg theory that it was the lack of a 19th-century bourgeois revolution which allowed Germany to remain in thrall to the traditional elites and their ancien-régime values and beliefs. Thus the bourgeoisie were feudalised through their subservience to the old order and did not pursue genuine parliamentary government. Indeed Ralf Dahrendorf went so far as to say that in Imperial Germany people were more tied to their social position than elsewhere and that this prevented their full participation throughout society; this, he said, caused Germans to 'resist modernity and liberalism' and thus created a particular backwardness in German politics and political structures.\[21\] M. Rainer Lepsius reinforced this analysis by arguing that Imperial Germany experienced an inadequate integration of competing and mutually exclusive political and social subcultures which led to the endurance of crucial elements of a pre-industrial social order.\[22\] These could be used to explain not only the culpability of Germany in bringing on the First World War, but also the coming to power of the Nazis, within one deeper and wider structural theory of German historical development.\[23\]

Arno Mayer expanded upon this interpretation in his 1981 book, *The Persistence of the Old Regime*, by positing the theory of a modern Thirty Years' War, a continuity of German history which saw the 1914-18 and 1939-45 conflicts as one single war with a 21-year gap in the middle. He claimed that Germany's aims were
virtually the same in both conflicts, and that the drive to imperialist expansion arose out of the enduring and anachronistic influence of the old pre-industrial elites who delayed, assimilated and subdued modern capitalist development throughout Europe, but especially in the central and eastern areas of the continent. Mayer argued that the German bourgeoisie lacked a sense of class-consciousness and had only a partial and lukewarm commitment to liberalism. He said that, while the bourgeoisie shared economic interests, they had only limited social and political cohesion. The ruling feudal elites succeeded in forcing industrial capitalism to fit itself into existing social, class and ideological structures and, he argued, thereby largely made it serve their purposes. Newcomers to the elite circles were carefully acculturated through aristocratic-dominated schools and by demonstrations of willing fealty. The bourgeoisie showed ‘a rage for co-optation and ennoblement’, they married into the nobility, bought landed estates, adopted aristocratic lifestyles and the particular arrogance of aristocratic behaviour, educated their sons in elite schools, brought their daughters up to be genteel ‘ladies’ and solicited honours, decorations and patents of nobility. Thus, he argued, in courting membership of the aristocracy, the bourgeoisie impaired their own class formation and accepted a prolonged subordinate place in society.[24]

It is upon these ideas of the ‘enfeudalising of the bourgeoisie’, their subordination to the old elites and their lack of influence upon cultural, social, political and ideological currents in 19th- and early 20th-century Germany, that Blackbourn and Eley principally focused their criticism of the Sonderweg theory.[25] Mayer and Wehler, along with Jürgen Kocka and Heinrich August Winkler amongst others, had claimed that, in post-1848 Prussia and post-1871 Imperial Germany, the bourgeoisie had not played a political role commensurate with their economic strength or comparable with that of the bourgeoisie in Britain, the United States and France. Each of these countries had undergone a bourgeois revolution, in 1688, 1776 and 1789 respectively, which paved the way for that class to stake a strong claim in the political arena. This led to the development of liberal polities which, in turn, produced a well-grounded acceptance of democratic institutions and democratic cultures. In these
states democracy weathered war and crisis much better than in Germany where a lack of liberalism and/or a lack of bourgeois political involvement did not allow democracy to take root in either institutions or beliefs. Effectively the revolts of 1848 were seen as Germany’s attempt to enact a bourgeois revolution. When this failed, her development went off the rails of ‘normal’ historical progression and produced an aberrational society whose tensions and contradictions led it down the paths of imperialism, war and Fascism.

Blackbourn and Eley argued, however, that the bourgeoisie were not as supine or as ineffectual as the Sonderweg proponents have claimed. They saw liberal capitalist values and institutions increasingly permeating the German lands throughout the 19th century. A codified and standardised set of laws began to come into operation in the new German Reich from 1871, in particular in the fields of commercial law, finance, property rights, labour law, policing and civil law. All these were essential for the operations and prosperity of the largest sector of the bourgeoisie - the Besitzbürgertum or bourgeois property owners. They required a superior authority, the state, to hold the ring of uniform legal codes within which liberal capitalism could operate.[26] A universal company law, a unified currency, abolition of internal tolls and tariffs, and mechanisms for ensuring and enforcing contracts were of greater concern to the bourgeoisie than universal suffrage or even bourgeois personal representation in the governing circles around the Kaiser and Chancellor.

Thus it can be argued that the bourgeois view of the state was for it to be an enabling authority which enforced the law, and, just like the judiciary who were the executors of that function, there was no overwhelming case for it to be democratically controlled. The state, of course, does much more than just ensure that the law is enforced - it also makes the law, involves itself in economics and creates foreign policy. In these realms, to varying degrees, the bourgeoisie sought, not personal representation, but influence. The commercial and, above all, the industrial bourgeoisie were very effective here in organising their own business pressure groups to shape government legislation, in particular on economic policy and labour law. The
'Iron and Rye' alliance was the most obvious example of bourgeois capitalist muscle, even if the subsequent protectionist measures adopted at its behest were contrary to pure liberal ideals. However 'liberal' and 'bourgeois' are not synonymous terms; the first is political, the second is social. Many of the German bourgeoisie were political conservatives, while many liberals, including eventually the National Liberal Party, were supporters of protective external tariffs and hostile to anything except a limited democracy where the lower classes could not translate their numbers into political power.

Blackbourn and Eley argue that the pre-industrial traditional elite groups did not achieve or hold on to primacy in the German social, or even political, culture in the half century up to 1914. They see bourgeois values such as taste, fashion, concepts of the law, social order, morality, notions of private property and social obligation in the ascendancy from about 1860. One might also add an acceptance of largely \textit{laissez-faire} entrepreneur capitalism; most of the landowning Junkers were practising large-scale market agriculture by the turn of the century, while many noble families diversified their landowning wealth into business and industry, at the very least through shareholding. Thus, argue Blackbourn and Eley, the bourgeoisie were co-equal partners with the old elites in determining Germany's path of development because so many of their values had taken root among the \textit{ancien régime} and were motivating factors in the governing cliques' policy-making decisions.

This bourgeois social 'semi-hegemony' did not, however, necessarily require a high degree of \textit{constitutional} liberalism; nor did it require a high level of class-consciousness. Nevertheless, it can be argued that there was a coincidence of liberal and bourgeois values and beliefs. The explanation for this lies in a re-examination of the nature of 19th-century liberalism, both in Germany and in the rest of Europe. Eley has argued that 19th-century liberalism was more a type of social morality and philosophical outlook than a political programme. It was based on the central idea of the sovereign individual and took much from the philosophical tradition of Bacon, Hobbes and Locke. This emphasised the notion of 'possessive
individualism', i.e. that property ownership or wealth showed moral worth and bestowed political, social and economic rights or privileges. Universal democracy here was seen as the rule of the (unworthy) mob, a view which even the archetypal liberal, John Stuart Mill, endorsed through his advocacy of a plural-voting system giving multiple votes to men of property or education. Additionally this 19th-century liberalism was strongly attached to nationalism, since the creation of the nation state was held to be a prerequisite for progress. Without the nation there could be no citizen.

Blackbourn and Eley's final criticism of the Sonderweg theory is based on questioning whether there is such a thing as a normative model for the development of an industrialised and urbanised society. The assumed model, explicitly defined by, among others, Barrington Moore, Hans-Ulrich Wehler and Jürgen Kocka as the 19th- and early 20th-century Anglo-Saxon and north-western European nations, is open to many criticisms. Firstly, if the Sonderweg is so special, why did fascist, authoritarian and would-be totalitarian regimes spring up all over Europe in the 1920s and 1930s? By the late 1930s liberal democracies were in a distinct minority across the continent. The Sonderweg interpretation seems to suggest that other industrialising capitalist nations did not have the latent possibility of Nazism within them. This of course opens up the debate about whether Nazism was a variant of a generic political system, namely, fascism, but whether it was or not, by 1938 the regimes of Italy, Hungary, Portugal, Poland and Austria were certainly a long political ride away from liberal democracy. Why should Germany be compared only with a set of nations which fit one particular theory and model of development? Germany is a central European country, not a western one, and thus comparison would be more appropriate with all the nations of Europe, but perhaps especially with Austria and Italy. In this latter comparison German social, economic and political development does not look quite so unique or special.

Secondly, it can be argued that each of the 'normative' states had as many differences as similarities during their periods of industrialisation. Britain's course to
industrialisation was purely *laissez faire*, while that of Belgium involved much more state participation. While France and the United States had universal male suffrage for most of the second half of the 19th century, Britain did not. Only the United States fought a huge civil war as its industrialisation reached take-off, only the United States had a major racial problem within its borders (unless of course one sees the troubles in Ireland as an ethnic conflict). Where is the equivalent of the British aristocracy and its still leading role in parliamentary politics in France, the Netherlands or the United States? While Britain and France (with the exception of Alsace-Lorraine and Savoy) had been geographically well defined since the 18th century, the United States was still expanding in North America as late as 1912. Finally, although Britain and the United States (except for the period 1860-65) had settled political institutions, allowing governments to change peacefully, France underwent at least seven major political upheavals involving varying degrees of violence to remove existing regimes between 1789 and 1940.

Thirdly, there are many similarities between German development and that of the putative model 'normative’ states. Indeed, Germany at the time was often seen as a model herself for modern development.\[^{135}\] However elitist Imperial German society may have been, the British class system matched it all the way in social stratification and upper class disdain for the lower orders. All the major nations in question dragged their heels over extending democracy, none more so than Britain which still had an essentially propertyed franchise at the end of the 19th century,\[^{136}\] and was the only industrialised nation with a completely unelected upper house consisting entirely of a body of hereditary nobility. With the SPD (*Sozialdemokratische Partei Deutschlands* or Social Democratic Party) Reichstag vote reaching nearly 35% in 1912, it was widely expected that Germany would undergo constitutional and democratic reform to prevent social unrest emerging.\[^{137}\] Connected to that was another development where Germany appeared to lead the way - the growth of socialist parties and a socialist subculture. The SPD was by far and away the largest parliamentary socialist party in the world by the turn of the century, while in the United States there was no equivalent left-wing working-class political representation.

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Trade-union law and membership were at least as advanced in Germany as in any of
the comparable countries by 1914. Germany had as free a press as France or
Britain, and from 1890 the organisation of political parties was as unhindered as in the
United States or any other Western state. German civic life was also flourishing
through a burgeoning network of Vereine (clubs) largely organised and dominated by
the bourgeoisie.

Eley goes on to argue that, beginning in the 1890s, German political liberalism was
undergoing a reinvigoration by adopting a synthesis of imperialism and social reform
involving greater state intervention, social welfare and national solidarity. Although
these ideas began on the left among the Progressive Liberals, by the time of the
Bülow Block of 1907-09 they had spread into the National Liberals. Thus, not only
were the socialists in a strong position by 1914, but so too were the liberals, to the
extent that Eley believes that a liberal regrouping was on the cards by the eve of the
First World War. These developments in German liberalism bear a strong resemblance
to the emergence of British New Liberalism, and much of the British focus on
‘National Efficiency’ in the Edwardian era arose out of interest in the equivalent
German example. Eley argues that British liberals actually viewed the Kaiserreich as a
model for many aspects of modernisation; thus it is difficult to see the German
political system as intrinsically backward by comparison with the British system or
British political culture. One could add that, while Germany had a distribution of
Reichstag seats greatly weighted against the urban working-class masses, and an even
more undemocratic three-tier voting system in the Prussian Landtag and in other
Länder, it had little resembling the political corruption of the pre-1914 United
States, the electoral gerrymandering and voter exclusion of the American South, or
the vote-rigging machines of the big cities of the USA such as New York where the
name Tammany Hall became synonymous with large-scale ballot fraud.

Fourthly, is the Sonderweg theory, and its reliance upon the comparison of
German developments with a supposedly normative model, not a thoroughly
teleological interpretation? Does it not lend itself to the notion of ‘the end of history’?
It can easily be interpreted as history written from the point of view of the victors of not one, but two, world wars. In one sense these are France, Britain and the United States, but in another it can be seen as looking back from the point of view of the ideological victors - liberal democracy, possessive individualism and capitalism. Everything, says the theory, was inevitably leading up to present day socio-economic conditions and political structures; all deviance was historically inappropriate and led to conflict which resolved that anomaly in favour of the strongest central shoot of bourgeois/liberal democratic industrial development. However, not only are most of the Sonderweg theorists German (and hence ‘losers’ in the first sense), but many are also Marxists or influenced by Marxist analysis, and thus unlikely to want to be associated with Francis Fukayama’s right-wing capitalist triumphalism. Yet the two are compatible. On a simplistic level Marxism is characterised by a belief that capitalist or bourgeois hegemony is a necessary stage in the dialectical process which ultimately leads to socialism. Put a different way, Marxists claim that their interpretation of history is not a linear one, yet the juxtaposition of a putatively normative model of industrial development against the Sonderweg is an essentially structuralist, and indeed determinist, model where the bourgeoisie is an unarguable and given agent of progress. Where the bourgeoisie is thwarted, history takes its revenge.

But were the bourgeoisie so thwarted, repressed or dominated in Imperial Germany? Studies throughout the 1980s and 1990s have tended to support the assertion of Blackbourn and Eley that the bourgeoisie was more politically and socially active in the Kaiserreich than was previously believed to be the case. The works of Thomas Nipperdey, Rudy Koshar and Celia Applegate, among others, lend weight to this view by showing how vibrant bourgeois associational life was across Germany, and how influential these Vereine were in shaping attitudes and values. Other studies demonstrate that much local political power was wielded by bourgeois notables; in particular, most German cities remained controlled throughout the Imperial era by the bourgeois liberal parties. Patriotic groups such as the Pan-German League and the Navy League were gung-ho nationalists and jingoists.
who urged on the government to greater imperialist and expansionist undertakings than even the Kaiser was prepared to countenance - and these associations were stacked full of the bourgeoisie.[46]

It is also scarcely debatable that the most powerful of all the bourgeoisie, the bankers and industrial magnates such as Krupp von Bohlen, exercised power and influence on the government, and even to an extent upon the court, because of their vast wealth, their control of vital sectors of the modern economy and their networks of relationships and patronage. The problem, of course, is in deciding where the *haute bourgeoisie* ends and the nobility begins. If a man was a massively wealthy and powerful commoner on a Monday, but was elevated to Baron on a Tuesday by command of the Kaiser, his wealth and power remained the same yet somehow his social position is deemed to have changed; he is now an aristocrat instead of a bourgeois; he is now part of the ‘old elite’ of presumed traditional, indeed neo-feudal, values. But of course, Krupp’s beliefs and cast of mind did not change overnight. He was still a social and political conservative and elitist as well as an economic liberal (at least in the domestic realm) the day after he was ennobled. Bourgeois, or indeed liberal, economic views came to be embraced by the traditional nobility of Germany as the 19th century progressed, while the bulk of the bourgeoisie always aspired to the social cachet of a title. Few German bourgeois eschewed the opportunity of adding ‘von’ to their names out of any sense of class-consciousness.[47] The plain fact is that aristocratic and bourgeois values, and even aspects of culture - from the acceptance of market capitalism to the fashion for beards, from arrogant elitist snobbery to a rage for uniforms, from anti-Semitism to villa-dwelling - were increasingly convergent. Each influenced the other as the *haute bourgeoisie* grew richer and more powerful, while the upper middle class of professionals, managers and the owners of medium-sized businesses tailgated them and aspired, in the main, not to alter or abolish Germany's hierarchical system, but to join the ranks of the elite.

Is there not an argument for saying that if the bourgeoisie were in fact co-equal partners with the traditional elites in the development of German society and politics,
as Blackbourn and Eley have argued, then they must have been one of the particular forces in Germany driving the country on to world war and National Socialism? And if that is the case, then it is possible to argue that either the bourgeoisie/upper middle class, or liberal values or the very nature of industrialising capitalism harboured the latent possibility of Nazism, fascism or some other extreme authoritarianism within them. This once more brings into question the very idea of modernisation as a progressive force.

A further implication of the Sonderweg and related theories is that they see Nazism, its appeal and its followers as products of a perceived threat posed by industrial capitalism. Although it is the aristocratic and landed classes who, as pre-modern elements, are deemed to have created the peculiar path of German history and allowed the conditions for anti-democratic extremists to achieve political power, it is a different pre-modern element which is held to have provided the mass support for the rise of the Nazis. This was the old Mittelstand (middle estate/class) of peasant farmers, craft workers, small businessmen and shopkeepers. In the Imperial era these people had looked to the Kaiser as a bulwark and champion of the small independent man. However, even before 1918, they had already become insecure, not least because of the rise of the SPD. After the abolition of the monarchy, this social class became doubly anxious and politically disoriented, unable to find effective representation in the bourgeois parties of Weimar, and implacably hostile to the left. This caused them, as ‘losers’ in the modernisation process of industrial capitalism, to turn to the NSDAP for reasons which were essentially backward-looking and anti-capitalist. The old Mittelstand is then (arbitrarily) expanded by the addition of lower-level white-collar workers in both the public and private sectors to become the petite bourgeoisie which is deemed to have comprised Hitler’s core supporters prior to and after 1933. The objections to this eliding of distinct elements of the lower middle class are discussed below.

The idea that Nazism was a petit-bourgeois phenomenon goes back a long way. It was first put forward in the 1930s by Theodor Geiger who coined the phrase ‘Panik
im Mittelstand' (‘panic in the middle class’) to describe the fear of the petite bourgeoisie of being crushed between the millstones of big business and organised labour. This fear supposedly drove the lower middle class into the arms of the Nazis, the party most vociferously promising to restore some mythical status quo ante of a golden age of the middle class. This thesis was seminally formulated in the works of the sociologist William Kornhauser, and in the better known work of Seymour Martin Lipset, *Political Man.* However Geiger, Kornhauser and Lipset all supported their theories with very little empirical research, while Lipset used the membership lists of the NSDAP to support his assertion that this was a lower-middle-class party attracting a lower-middle-class electorate. Yet party membership and party electorate are typically two somewhat different constituencies.

The theoretical exegesis of this lower-middle-class analysis or ‘Centrist Theory’ in liberal historiography has been to see transformations created by advanced capitalism, urbanisation and industrialisation threatening the interests of the petite bourgeoisie: small businesses folding, peasant farmers fearful of the growing power of city-based political parties, and the civil service and private-sector white-collar workers alarmed by the prospect of proletarianisation. Strongly attached to their social status, these groups turned away from the ineffectual bourgeois parties to the movement promising to act decisively and vigorously to protect them against both the ‘Bolshevik menace’ and rapacious big-business capitalism - the Nazi Party. Marxist theory has also consistently accepted the lower-middle-class thesis, seeing this sector as providing a deluded mass base for the Nazis while the movement was controlled and paid for by the haute bourgeoisie. While recent research has undermined the control element of this theory, even those Marxist revisionists who have discarded the idea that industrialists and other leading capitalist elements financed the Nazis and manipulated them politically, have not jettisoned the lower-middle-class thesis. Indeed, the adoption of the Bonapartist theory by some revisionist Marxists has, if anything, added weight to the argument, since the generally accepted view of the accession to power of Napoleon III portrays the peasant and small-business classes of 1850s’ France as his bedrock support.
It is tempting to infer that both liberal and Marxist historiography and interpretation have uncritically accepted the flimsy empirical basis of the Centrist Theory for ideologically or morally didactic reasons. Marxist thought has had a vested interest in seeing the working class as the repository of anti-fascism and the hope for a socialist future; liberal historians have been reluctant to face up to the frightening and disorienting idea of the whole width of modern society being the Nazi constituency - especially perhaps the educated upper middle class which most of these historians inhabit.

Among the many commentators and historians who have supported the lower-middle-class theory are Hermann Rauschning, Lothar Kettenacker and Michael Kater. These three can be singled out for one thing they have in common. Each of them not only sees social class support for the Nazis as being rooted in the lower middle class, but also specifically relates Nazi ideology to petit-bourgeois prejudices and mentalities.

The significance of the work of Hermann Rauschning lies in the fact that he was writing his interpretation of the Nazi phenomenon from first-hand experience. He had been born into minor landed nobility in West Prussia and, when the dust settled on the Versailles Treaty, it transpired that his family estate now lay within the borders of newly-resurrected Poland. Rauschning gravitated towards the revisionist Nazi Party which he joined, quite late, in 1932. He quickly became a confidant of Hitler and was appointed President of the Danzig Senate, falling foul of older members of the Free-State NSDAP who perceived him as an opportunist bandwagon-jumper. Within two years he had become disillusioned with, and alarmed at, the nature of Nazism which he perceived as un-Christian and not at all representative of the right-wing conservatism in which he himself believed. Fleeing to Switzerland, then Britain and finally the United States, he wrote an impassioned but fairly scholarly (or at least intellectual) critique of the Nazi regime entitled *Die Revolution des Nihilismus* (The Revolution of Nihilism) which was published in 1938. This work was translated the
following year into English under the inaccurate but catchy title *Germany's Revolution of Destruction*, and went on to become a best-seller. More importantly, Rauschning's critique became a basis for much of the historiographical treatment of National Socialism and the Third Reich over the next half century. His central thesis, lost in the revised title, was that Nazism was essentially a doctrineless doctrine, an amorphous ideology whose only constant was the pursuit of power; it was devoid of principles and hence intrinsically amoral. Out of this conviction arose his condemnation of National Socialism as 'nihilism, the total rejection of any sort of doctrine, [which] must develop of necessity by its own logic into an absolute despotism'.

Although Rauschning had a genuine moral repugnance of the Nazis, he was nevertheless an extreme right-wing politician, an admirer of Edgar Jung and a member of the *Herrenklub*, a Berlin gentlemen's club for the aristocratic elite among whose leading lights was Franz von Papen. This meant that, although he came to despise the Nazi methods, he nonetheless agreed with most of their political aims up until the middle 1930s. Importantly, however, his falling out with the Party, of which he was a senior member, owed much to the perpetual rivalry and back-stabbing which characterised the NSDAP leadership in the Third Reich. Perhaps nothing shocked him more dramatically than the Röhm Purge of June 1934, under cover of which Edgar Jung was murdered and Franz von Papen narrowly avoided the same fate. Rauschning, like Jung, who wrote *Rule of the Inferiors*, was an anti-democratic radical and cultural elitist who was greatly influenced by the works of Nietzsche and Pareto. He despised the lower orders (but in a generally paternalistic, if supercilious, fashion owing to his deeply-held Christian and conservative beliefs), and, in perhaps typically upper-class style, this scorn was particularly reserved for the lower middle class. While he bestowed faint praise upon the working class as bulwarks of moderation and (misguided) integrity, his intense dislike of shopkeepers, clerks and small businessmen is palpable within the pages of *Germany's Revolution of Destruction*. What is particularly significant about his analysis is that he equates Nazi Party membership with the lower middle class, and National Socialist mentality with
the outlook of that apparently benighted class. This is quite openly stated throughout
the book, as for example:

The class of the population from which the great bulk of the first elite
sprang [was] the small shopkeeper class, which is also the class from
which the bulk of the faithful came.\textsuperscript{[66]}

Is National Socialism the "Salvation Army of German patriotism", as a
cynical critic maintained? There is something in the idea. The
movement has made the small traders and lower middle class its
backbone, instead of the Storm Troopers. And the whole machinery of
the party is built up out of lower middle-class elements.\textsuperscript{[67]}

These statements by Rauschning are mere assertions of the sociological make-up
of the Nazi Party and are even more impressionistic than the above-mentioned works
of Geiger and Lipset. However, this ex-Nazi's opinions and interpretations carried a
good deal of persuasive influence in contemporary and subsequent conceptualisations
of the NSDAP. This was presumably due to the fact that he was one of the few
people who had talked at length with Hitler,\textsuperscript{[68]} had been in a position of power and
inside knowledge within the Party and, especially importantly in the 1940s, had come
over to the other side to denounce the enemy eloquently and in high moral tones, yet
without renouncing his innate Germanness and tragic patriotism. He thus seemed to
embody both empirical experience and chastened self-examination, two qualities
which might appear to be part of an elixir of truth and dispassionate analysis.

It seems clear, however, that Rauschning's analysis came laden with much
ideological, psychological and cultural baggage. Rauschning was an upper-class,
elitist nationalist who needed to find an explanation for the terrible path down which
his country had travelled. While he condemned the unscrupulous and opportunist
course taken by German conservatism since the First World War, he characterised the
likes of Hugenberg and the DNVP as being not genuine conservatives but unspiritual
reactionaries.\textsuperscript{[69]} Thus authoritarian right-wing politics were neither ultimately nor
inherently to blame. Furthermore, his belief in a hierarchical, inegalitarian but paternal
Christian society led him on to consider that the cause must lie in some challenge to
the 'proper order'. He might have looked to the working class and the threat of Marxist revolution, but he had a strange and erratic view of that class. This was undoubtedly influenced by Romanticism, but whereas normally it is the peasantry which is idealised in such a world-view, for Rauschning it was the respectable working class. This is a position rather similar to the urban Romanticism of that most extreme of völkisch writers, Ernst Jünger. Rauschning differentiated this social grouping from the proletariat, but he nowhere made it clear who this dangerous class might be or how it differed from the working class. Instead he chose to vilify the uppity parvenu lower middle class, whom he had identified as making up the bulk and brain of the NSDAP. His prejudice against this whole amorphous class is evident in the unsupported pejorative statements he made about its mentality and morality:

It used to be regarded as a sign of lower middle-class conventionalism to carry moral principles into political life. I think the time has come for correcting this view. It is precisely the lower middleclass element in National Socialism that has thrown over all moral inhibitions as conventional and contemptible.

This preference for violence as the typical revolutionary method is not inconsistent with the crafty and very successful appeal of National Socialism to lower middle-class self-righteousness.

[It will surprise nobody that the National Socialist revolutionary elite are entirely without moral inhibitions, and that individually they reveal so strange a mixture of extreme nihilism with an unashamed adoption of the ways of the half-educated lower middle class.]

The magic of leadership is magic primarily for such types as these. They reveal not only the “fury of partisanship” but the enviousness and lust for domination of the lower middle class.

The [National Socialist] philosophy is beginning to reveal its insincerity. It is losing its propaganda value as a means of suggestion. It is becoming an actual stumbling block for the followers. It is revealing, in such persons as the Jew-baiter Julius Streicher, the lower middle-class character of its origins.

Someone who appears to have been influenced not only by Rauschning’s
interpretation of National Socialism as a nihilistic doctrine, but also by his opinion of
German lower-middle-class values and characteristics is Lothar Kettenacker. In his
essay 'Hitler's Impact on the Lower Middle Class' he stated this quite clearly:

It is the purpose of this chapter to show that [Hitler] was more specifically the mouthpiece of the German lower middle class, the unterer Mittelstand in sociological terms, or more to the point, the Kleinbürger	(geoisie)\[77\]

[It] can safely be said that on the whole Hitler's message was most favourably received by the half-educated, yet self-righteous lower middle class, such as artisans, shopkeepers, low grade employees and civil servants.\[78\]

Hitler's immense popularity can be explained by the representative character of his mentality; he was and remained the most outspoken petit bourgeois of his time.\[79\]

This 'representative character' is then defined in the following paragraph as repressed philistinism, anti-intellectualism, misogyny and common taste which were 'widely shared by the half-educated classes in Germany'.\[80\] A wealth of assumptions, prejudices and finger-pointing is contained in this particularly illuminating paragraph. It suggests most strongly not only that the petite bourgeoisie were ardent Nazi supporters, but that lower-middle-class ideology or world-views were almost synonymous with National Socialism, or even that the lower middle class was responsible for Nazism. Secondly, the citing of 'common taste' in such a pejorative manner reeks of snobbishness. Misogyny is undoubtedly a moral failing, while anti-intellectualism is equally a prejudicial viewpoint; but philistinism and being half-educated? These are insults not analysis. Thirdly, why cite the lower middle class as the repository of such characteristics? Extreme male chauvinism, if not downright misogyny, was in evidence in all classes in Weimar Germany. How many leaders of industry or university professors were women in the 1920s or 1930s? Why did the Social Democratic Party and the trade unions not favour equal pay for women?\[81\] 'Philistinism' was not the sole preserve of the uneducated or 'half-educated'; condemnation and demonisation of modern art, of Cubism and Expressionism, of
atonal music and jazz preoccupied the wealthy and educated far more than self-employed craftsmen, sales clerks, butchers or peasant farmers. As for anti-intellectualism, Jeffrey Herf has shown that this became a world-view widespread among many Germans who had undergone higher education - engineers, chemists and even university professors who, in all seriousness, strove to 'think with the blood' in the Third Reich.\[82\]

Even more indicative of a culturally elitist or downright arrogant view of the lower middle class comes from Michael Kater. In his book *The Nazi Party* he declares that 'industriousness or love of hard work' and 'anti-intellectuality, ideological dogmatism, xenophobia, bureaucratic formalism, and authoritarian traditionalism' were characteristics of, and specific to, the petite bourgeoisie.\[83\] He continued:

> These inclinations and their extensions constitute a catalogue of values that may be said, on the one hand, to have been germane to the German lower middle class and, on the other, to have possessed a special potential for breeding fascist proclivities.\[84\]

It seems to me, however, that hard work and industriousness are not specifically German lower-middle-class characteristics but (and even this is debatable) simply German qualities. From landless labourers and coalminers to shopkeepers and accountants, from management to moguls, the ethos of long hours and diligent toil has been a much lampooned feature of Germans as a whole. While it has been greatly exaggerated for effect by both Germanophobes and Germanophiles (and indeed by Germans themselves!), such national stereotypes usually contain at least a modicum of truth. Rarely has it ever been suggested that this characteristic is class-specific.\[85\]

As for the accusation of dogmatism, this could as easily be levelled at the KPD (*Kommunistische Partei Deutschlands*), or Communist Party, with its predominantly working-class membership and electorate, or the anti-Weimar, conservative and monarchist DNVP with its overwhelmingly *haut-bourgeois*, aristocratic and landed leadership and its disproportionate number of well-off followers. 'Xenophobia, bureaucratic formalism and authoritarian traditionalism' surely permeated the upper middle class and upper class at least as much as the lower middle class. Authors of
authoritarian and jingoistic works, such as Oswald Spengler, Edgar Jung, Ernst Jünger, Karl Haushofer, Hans Grimm and Arthur Moeller van den Bruck, who helped to sustain and popularise anti-democratic, arch-nationalist prejudices, were most certainly not lower middle class. They in fact possessed yet another prejudice - a scornful despising of the petite bourgeoisie as either vulgar aspirants, ill-educated philistines or a mediocre herd.

Kater thus singles out a whole vast and variegated class from all the rest and dams it as morally and intellectually lacking. But it gets worse! He also claims that the lower middle class, being suspicious of formal knowledge, tended to replace 'rational categories by emotional and even magical values'. He then goes on to describe Rudolf Hess and Fritz Sauckel as examples of such believers, despite the fact that Hess came from a distinctly upper-middle-class family who owned a substantial exporting business, that he was an officer in the Great War, and that he attended Munich University. Sauckel, ironically, was in fact the only member of the Reichsleitung, or leadership of the Third Reich, of 37 men who was of working-class origin, his mother having been a seamstress, his father a postman and he himself a merchant seaman and construction worker. Kater continues over the next few paragraphs to portray the lower middle class as sad specimens who preferred character to critical faculty, trustfulness over inquiry:

[A] basically ambivalent attitude on the part of the German petit bourgeois toward matters of the mind and their sociological derivatives, such as higher education and artistic creativity, has always been one of the quintessential characteristics of lower-middle-class mentality, thus compounding its complexity. The capacity to begin a chain of thought without developing it to some definite conclusion distinguished the German Kleinbürger (petit bourgeois) both from the worker, who refused to think at all, and from the Bildungsbürger (man of culture), who thought sequentially.

What astounding intellectual and class snobbery is displayed in such statements. It presents the unedifying spectacle of an upper-middle-class professor looking down his nose at a stubbornly stupid working class and a lower middle class of universally
jumped-up half-educated cretins. This impression is bolstered by a later piece of analysis where Kater claims that the Third Reich spoils system arose from the lower-middle-class mentality of 'materialistically minded shopkeepers, white collar workers, or even lower civil servants, who gradually entrenched themselves in positions of power,[and] found it harder to resist temptations to enrich themselves than had members of the old elite, who were either too high-minded or too wealthy to succumb'.[99]

But why should lower-middle-class Germans be more materialistic and possess less moral fibre than the owners of Krupps or AEG? Were the villa-dwelling upper management of IG Farben really not interested in their 15,000 marks per annum income[91] or the possibility of enhanced power? Was the upper-middle-class Hermann Goering not an avaricious man?[92] What were the social origins and background of Hans Frank, the personal plunderer of Poland?[93] Why might a shipping clerk be more materialistic than a sheet-metal worker? The claim that the educated and wealthy might be more high-minded than the less schooled and less prosperous petite bourgeoisie is simply an unfounded statement of prejudice, if not one of jaundiced wishful thinking on the part of the author.

Kater sees the above-mentioned narrow-minded ethos running through all levels of the Nazi Party, an assertion which has much truth to it; but the provenance of this ethos is much more problematic than his class-specific conclusion would have us believe:

Although it would be incorrect to claim that the entire Nazi functionary corps was staffed by "typically frustrated lower-middle-class individuals" or by "marginal petty bourgeois", there is no doubt that the representatives of that class were in the absolute majority. Hence the leadership corps was stamped by the value system of the German lower-middle-class, and its political and administrative actions can be viewed as the product of lower-middle-class mentality.[94]

The value system predominating at the lower leadership levels of the
Nazi Party, the system that spread to the higher levels and worked even beyond the party to put its stamp on German society, was that of the lower middle class. For in spite of the relatively strong representation of the social elite (accompanied by a correspondingly weak representation of the working class), the lower middle class was consistently in the absolute majority in all but the very highest functionary bodies. This state of affairs, or rather mentality, was made possible by the political changes instituted after January 1933, which sanctioned the rule of the "plebeians", as Lerner termed the mass of Nazi leaders. As a consequence, despite the heavy numerical representation of the German elite at the top of the NSDAP leadership, the sociocultural value system to which the elite would normally have subscribed would have been completely overshadowed by the value system of the lower middle class, as had been the case before 1933.\[85]\n
Kater is firstly arguing that, because the lower middle class was in a majority in the Nazi Party, and because a whole range of prejudices of the sort listed above permeated the Nazi Party, then the lower middle class must have been an inherently prejudiced social group as a whole. This is a classic case of a syllogism, but not only in the sense that it has two premises and a conclusion, but in the other sense of a syllogism - specious argument or sophistry.

Secondly, Kater is arguing that because the lower middle class constituted a majority at every level of the NSDAP, except the very top leadership, its values must therefore have dominated and indeed shaped the ethos, and hence ideology, of the Nazi Party. They 'completely overshadowed' the 'normal' socio-cultural value system of the elite. If this argument were true, then the prejudices and mentalities which he accurately indicates as being representative of the Party, must have arisen out of this class. But how often do sheer numbers or even absolute majorities determine the locus of opinion forming in any hierarchical society or organisation? The movers and shakers of Tsarist Russia were certainly not the peasantry who made up 85% of the population, while the working-class employees who constituted at least 90% of United Steel's personnel had very little say in the direction of policy or the corporate ethos of that German company.

In modern, non-communist, industrialised, urban societies for the last century, the
upper middle class, in conjunction with the small upper class and *haute bourgeoisie* (referred to by Kater as the ‘elite’), have been recognised by scholars of all sorts of disciplines as powerful opinion-formers. Indeed it has been recognised that their opinions probably make most impact upon that layer of the population immediately below them - the lower middle class. Writers like Rauschning, Kettenacker and Kater, who appear to look down on the petite bourgeoisie, have often characterised (and derided) its members as aping the behaviour of the cultured and educated upper middle class. Why, therefore, in the case of National Socialism, are they for once seen as the pace-setters of politics, morality, taste and prejudice? The usual analysis, and the argument from historical observation, is that ideas and opinions tend to flow downwards, or that more powerful social groups, almost invariably in a numerical minority, influence lesser groups far more than they in turn are influenced by the latter. This is supported by David Blackbourn in *The German Bourgeoisie* where he talks about the separation of the *Mittelstand* in the later 19th century into bourgeoisie and petite bourgeoisie and about the craving of the latter to become like their social betters:

[The] more substantial and secure petty-bourgeois households became a classic case of bourgeois social influence – the master craftsman or draper aspiring to the piano in the drawing room, played upon occasionally by a non-working daughter. This relationship found a parallel in the milieu of clubs and local associations: if bourgeois notables – middling and senior officials, grammar-school teachers, doctors, lawyers, or merchants - took leading roles, it was commonly the case that a publican, pharmacist, or reputable tradesman would fill the post of secretary.196

That the Nazi party had a large and disproportionate lower-middle-class membership is not in doubt. Kater shows admirably in his study that this was the case; indeed, he shows that the lower middle class constituted an absolute majority in the NSDAP throughout the Weimar and Third Reich years at every level except the very top. **Figure 1** shows the proportions of the social classes which made up the various levels of the Nazi Party over the years between 1929 and 1942. Kater’s own statistics
<table>
<thead>
<tr>
<th></th>
<th>Lower</th>
<th>Lower Middle</th>
<th>Elite</th>
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<tbody>
<tr>
<td>German Population by Social Class 1933 (Kater)</td>
<td>54.6</td>
<td>42.7</td>
<td>2.8</td>
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<tr>
<td>NSDAP Joiners 1930-32</td>
<td>35.9</td>
<td>54.9</td>
<td>9.2</td>
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<td>12.2</td>
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<td>33.3</td>
<td>57.0</td>
<td>9.7</td>
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<td>NSDAP Joiners 1938</td>
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<td>NSDAP Members 1942</td>
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<td>66.8</td>
<td>10.5</td>
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<td>70.4</td>
<td>18.3</td>
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<tr>
<td>Local Deputies 1933</td>
<td>24.8</td>
<td>59.1</td>
<td>16.1</td>
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<tr>
<td>Reichstag Deputies 1933</td>
<td>12.3</td>
<td>51.7</td>
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<td>Gauleiter 1942</td>
<td>15.6</td>
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<td>Agency Heads 1941</td>
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<td>c41-44</td>
<td>c7-10</td>
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<td>2.7</td>
<td>21.6</td>
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Figure 1. Percentages of social classes at various levels in the NSDAP.\[97\]
have been used to compile this composite table, and his social-class paradigms have been followed, despite the fact that he employs a very low estimate of the size of the upper middle class (2.44% of the whole German population), and combines it with a category he calls 'entrepreneurs' (0.34%), to produce a social group he titles the 'elite' which makes up only 2.78% of the population.\[98\]

From the table it can be seen that, while the lower middle class are the largest single group at all levels except Agency Heads in 1941 and the 1933-45 Reichsleitung, nevertheless the upper middle class (or Kater's elite) are overrepresented from the bottom of the NSDAP to the top. The only period of time which allows a snapshot comparison of this overrepresentation at different levels of the Party is 1941-42. Here it can be seen that 10.5% of the general membership of the NSDAP is from Kater's elite, a 270% overrepresentation when compared to the Reich population figure of 2.78%. Although the latter figure is from 1933, it seems unlikely that the social profile of Germany changed much in eight or nine years, since the Nazi revolution was not about changing social structures, but about altering consciousness and political direction. At Kreisleiter or district level the upper middle class constituted 18.3% of the office holders, a 560% overrepresentation; at Gauleiter or district level it constituted 32.6%, a 1,070% overrepresentation; at the level of Reich agency head it made up 49.7%, a 1,690% overrepresentation; and at Kater's Reichsleitung level it formed 70.8%, a 2,450% overrepresentation.\[99\]

Of particular interest is the social make-up of the Reichsleitung. This group can be identified absolutely, while biographical details are in great supply for most of its individual members. Social stratification can therefore be based upon the entire field and not just upon a presumed representative sample, thus making accuracy of categorisation that much more reliable. In such a hierarchical and anti-democratic system as National Socialism, where power and opinion most definitely had a strong tendency to flow downwards, examination of the topmost elite would seem to be of particular importance when deciding which 'class ethos' dominated, or rather from which class the ethos-makers largely came. It cannot of course be assumed, just
<table>
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<tr>
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<th>Kater</th>
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<tr>
<td>Ammann Max</td>
<td>Merchant; business school graduate</td>
<td>LMC</td>
<td>x</td>
<td>x</td>
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<td>Axmann Artur</td>
<td>Law student</td>
<td>LMC</td>
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<td>Farmer; lecturer; university degree</td>
<td>UMC</td>
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<td></td>
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<td>Inspector of farmlands</td>
<td>LMC</td>
<td>x</td>
<td>x</td>
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<td>Bouhler Philipp</td>
<td>WW1 lieutenant; university degree</td>
<td>UMC</td>
<td>x</td>
<td>x</td>
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<td>UMC</td>
<td>x</td>
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<td>UMC</td>
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<td>UMC</td>
<td>x</td>
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<td>Fiehler Karl</td>
<td>Lower civil servant</td>
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<td>Judge, higher civil servant; university degree</td>
<td>UMC</td>
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<tr>
<td>Ley Robert</td>
<td>Chemist; university degree &amp; PhD</td>
<td>UMC</td>
<td>x</td>
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<tr>
<td>Lutze Viktor</td>
<td>WW1 officer(from ranks), merchant</td>
<td>LMC</td>
<td>x</td>
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<tr>
<td>Ribbentrop Joachim von</td>
<td>Businessman</td>
<td>UMC</td>
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<tr>
<td>Röhm Ernst</td>
<td>Retired captain</td>
<td>UMC</td>
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<tr>
<td>Rosenberg Alfred</td>
<td>Architect; university degree</td>
<td>UMC</td>
<td>x</td>
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<tr>
<td>Rust Bernhard</td>
<td>WW1 lieutenant; head teacher; university degree</td>
<td>UMC</td>
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<tr>
<td>Sauckel Fritz</td>
<td>Merchant seaman, factory worker</td>
<td>WC</td>
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<td>Schirach Baldur von</td>
<td>University student</td>
<td>UMC</td>
<td>x</td>
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<tr>
<td>Schwarz Franz</td>
<td>Lower civil servant</td>
<td>LMC</td>
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<td>Speer Albert</td>
<td>Architect; university degree</td>
<td>UMC</td>
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<tr>
<td>Thierack Otto</td>
<td>Lawyer, public prosecutor; university degree &amp; PhD</td>
<td>UMC</td>
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<tr>
<td>Todt Fritz</td>
<td>Civil engineer; university degree</td>
<td>UMC</td>
<td>x</td>
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because the upper middle class dominated the leadership of the Nazi Party, and because the NSDAP leaders embodied all the prejudices of National Socialism, that the German upper middle class was therefore all of that cast of mind. That would be a syllogism similar to Kater's conclusion about the lower middle class. Nevertheless, with the great overrepresentation of the upper middle class throughout the Party rising to massive levels at the very top, the likelihood or probability of this observation having some truth to it is far greater than Kater's hypothesis.

My own estimate of the size of the German upper middle class, based in large measure upon Richard Hamilton's schema in *Who Voted For Hitler*, puts the proportion in the general population at somewhere between 7% and 10%, considerably larger than Kater's 2.78%.[101] However, in Figure 2, which shows the social background of the Reich leadership in the years 1933 to 1945, only one member of Kater's *Reichsleitung* whom he designated as lower middle class, Philipp Bouhler, is elevated to my much larger definition of the upper middle class. Two of Kater's elite, Franz Ritter von Epp and Baldur von Schirach, were in fact minor aristocrats, but I have left them in the category of upper middle class because their families were not large landowners, nor massively wealthy, nor had they a history of pre-1919 court or governmental influence.[102] Artur Axmann, Schirach's successor as the leader of the Hitler Youth, is the one uncertainty in the table in Figure 2. There is a limited amount of biographical information on him from the age of 15 when he first began organising for the NSDAP in 1928, but his only employment up until 1945 was in the Party, and there appears to be little on his social background prior to this. Robert Wistrich says he studied law, which would suggest that, as a university student, he came from an upper-middle-class family.[103] On the other hand, Gerhard Rempel refers to him as a 'proletarian' but without citing where that information came from.[104] For that reason I have compromised on his social classification and designated him lower middle class in order not to bias the figures I am using to question the validity of the petit-bourgeois thesis.

What is perhaps the most debatable factor in this analysis is deciding who actually
made up the *Reichsleitung*. Kater took his list from one compiled officially at some unspecified time during the Third Reich, which named 20 individuals. To this he added Ernst Röhm, Joachim van Ribbentrop, Rudolf Hess and Hermann Goering. These 24 men, said Kater, were the most powerful Nazi figures who 'constituted Hitler's camarilla, [and] were formally sanctioned in the new system of party and state, either by being appointed to a cabinet post......or by holding ministerial rank in a state government'. In 1944, Franz Neumann, in his book *Behemoth*, also compiled a list of 39 individuals whom he reckoned made up the Nazi hierarchy of that year. Most of Kater's names appear in that compilation. My own *Reichsleitung* list comprises all of Kater's slate plus 13 others, of whom Neumann includes seven. Out of my 37 individuals, Neumann concurs with 28 of them. Strangely neither he nor Kater include Adolf Hitler. Hitler and five others, included in Figure 2, do not appear on either Neumann's or Kater's lists; these five are Werner Best, Hans Lammers, Fritz Sauckel, Albert Speer and Otto Thierack. In this revised and enlarged *Reichsleitung* compilation, the proportion of the top leadership emerging from the upper middle class rises from 71% to 76%; but this is more than compensated for by the tripling in size of the demarcation of that class employed in this thesis. Now, instead of being 2,450% overrepresented, the upper middle class merely enjoys an advantage of 1,000%. Lower-middle-class representation at *Reichsleitung* level has, however, declined from Kater's 68% to 50% of its proportion in the German population as a whole.

All in all the lower middle class has served for a long time as a scapegoat for the rise of Nazism and even for the contents of its evil ideology. Scorned by orthodox Marxists as the deluded running dogs of capitalism, its members have also been pilloried by liberal, conservative and even more modern Marxist historians for their alleged lack of education, intelligence or morality. As was suggested previously, there are cultural and political reasons for this attitude which precede historical interpretation and indeed cloud it. However, it is not the intention of this study to exculpate the lower middle class from its complicity in the Nazi phenomenon. It seems clear from practically all research that the lower middle class was indeed more
likely to vote for the NSDAP and more likely to join the Party than the working
class.\textsuperscript{[107]} However, as the work of Thomas Childers has shown, it is important to
differentiate between the different sections of the petite bourgeoisie. While it is true
that the old \textit{Mittelstand} (middle class or middle estate) of shopkeepers, craftsmen,
small businessmen and peasant farmers were indeed core and long-term supporters of
the Nazis, this is not so true of lower-level civil servants and public employees. It is
even less true of white-collar workers in the private sector, many of whom were first
generation clerical workers whose home, family and social milieu were working class
- an environment likely to influence their political view more than the workplace or
their sociologically designated class position.\textsuperscript{[108]}

The research section of this study looks further up the social scale than the ‘petite
bourgeoisie’. It takes a defined group of senior salaried managers and examines their
world-view and politics. It investigates how close their ideology and prejudices were
to National Socialism, and how their self-interest, fuelled by an exaggerated sense of
their own special \textit{geistig} nature, allowed them to embrace Nazism very easily, quickly
and thoroughly.

The first aim of the chapters which follow is to show how several strands of
liberal thought are actually very compatible with National Socialist ideology, and how
liberalism and elitism have often been close bedfellows. Historically, liberalism has
been associated with the Weimar upper middle classes, so this is an important issue
which deserves close attention. Drawing upon the support of work done by other
historians writing on the German professions in the 1920s and 1930s, on the
contemporary networks of \textit{Vereine} and on Weimar electoral politics, the second aim
is to show that the upper middle class as a whole was more enthusiastic about, and
more electorally supportive of, the NSDAP than the German population as a whole
and, in addition, probably more pro-Nazi than the scapegoated lower middle class.

The third aim is to show that the appeal of Nazism for the upper middle class in
general, and VELA in particular, was not the NSDAP’s backward-looking Arcadian

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wing of *Blut und Boden* (blood and soil), but its perceived modernity. Senior managers in the private sector were firmly wedded to the industrial society of the 20th century. Their very livelihoods depended upon its continuance. The fourth aim of this study has already been embarked upon in this historiographical chapter. Far from lower-middle-class thinking and values permeating the Nazi Party, it was suggested that the influence of the respectable, educated upper middle classes had a much greater effect upon the ethos, ideology and shaping of the NSDAP. With the upper middle classes so enormously overrepresented in the Party, and even more dominant in its leadership echelons, they must surely have been able to influence opinion and belief disproportionately. Looking beyond the Nazi Party, the extent of the spread of National Socialism within the economic *Berufe* and the social *Vereine* of upper-middle-class Weimar Germany is explored to see when, how widely and how deeply National Socialist ideas penetrated these upper-middle-class organisations. Most important of all for this fourth aim, the research into VELA’s belief system investigates not only the timing and extent of the development of National Socialist thought among senior business managers, but also whether these ideas were imported into the organisation or generated from within.


[9] This scenario is described by Geoff Eley, who sees the resultant 'Bonapartist' takeover by Hitler and the NSDAP as being the work of the 'dominant classes', who perceived that capitalist relations were being threatened by the Republic and its democracy. This motivation, which ascribes to these classes, was also part of the ideology which made up the Weltanschauung of the Weimar upper middle classes studied in this thesis. They too wanted to save capitalism, although they wanted to see its existing form altered. Geoff Eley, 'Conservatives and Radical Nationalists in Germany: the Production of Fascist Potentials, 1912-1928' in Martin Blinkhorn (ed.), Fascists and Conservatives, London, 1990; Eley, From Unification to Nazism: Reinterpreting the German Past, London, 1986, pp.271-273.


[16] This critique of modernity which blossomed in the 1990s can be said to have begun much earlier with the publication of Max Horkheimer & Theodor Adorno, *Dialectic of Enlightenment*, New York, 1972; their work opened with the controversial assertion that 'the fully enlightened world' radiated 'disaster triumphant' (ibid p.3), and went on to argue that the nightmare of the Third Reich arose from the intertwining of reason, myth and domination implicit in Enlightenment thought and apparent in the works of Kant and Hegel which greatly influenced German intellectual thought (ibid pp.168-208). See also Mark Roseman, 'National Socialism and Modernisation', in Richard Bessel (ed.), *Fascist Italy and Nazi Germany: Comparisons and Contrasts*, London, 1996, pp.197-229; Rainer Zitelmann, 'Nationalsozialismus und Moderne. Eine Zwischenbilanz' in Werner Süss (ed.), *Übergänge. Zeitgeschichte zwischen Utopie und Machbarkeit*, Berlin, 1990, pp.195-223; Rainer Zitelmann, 'Die totalitäre Seite der Moderne' in Michael Prinz & Rainer Zitelmann (eds.), *Nationalsozialismus und Modernisierung*, Darmstadt, 1991, pp.1-20.


Blackbourn & Eley, *Peculiarities*, pp.159-205.


[49] On the thesis that the NSDAP was supported by ‘losers in the modernisation approach’. see Ronald Rogowski, ‘The Gauleiters and the social origins of Fascism’ in *Comparative Studies in Society and History*, 19, 1977, pp.399-430.


[56] Rauschning, *Revolution of Destruction*; Kettenacker, ‘Hitler’s Impact’; Michael Kater,


[59] Rauschning is cited as a source in an uncountable number of books. To take just one example, in Michael Kater's The Nazi Party, his name appears 17 times in the index of authors.


[62] A graphic example of the whiff of Nazi ideology still clinging to the apparently apostate Rauschning in 1938/39 is contained in his observations on anti-Semitism: ‘No doubt the Jewish question, especially that of the parasitic elements in the Jewish lower class, represents a grave and difficult problem for the practical politician’. Rauschning, Revolution of Destruction, p.98.

[63] Rauschning, Revolution of Destruction, pp.82-84.


[65] Rauschning, Revolution of Destruction, pp.31-33.


[68] Wolfgang Hanel, a Swiss historian, claimed that Rauschning only actually met Hitler on five occasions, all of them in the company of others, and that he made up chunks of his purported conversations with the Führer (based on material lifted from Nietzsche's works among others) in his other principal anti-Nazi publication, Gespräche mit Hitler, Zürich, 1940. H.W. Koch (ed.), Aspects of the Third Reich, Basingstoke, 1985, pp.13-14.


[70] On Jünger's völkisch beliefs and writings and his extremely violent, masculine imagery, see Struve, Elites, pp.377-414; Herf, Reactionary Modernism, pp.70-108.


[74] Rauschning, Revolution of Destruction, p.35.


[91] 15,000 marks per year as a salary for a senior manager in IG Farben is based upon the regular publication of the salary levels of upper managers and how much tax they had to pay in the later Weimar years in the pages of *Der leitende Angestellte*, the periodical of VELA, the organisation of senior managers studied in the research chapters of this thesis.
[96] Blackbourn, 'German Bourgeoisie', p.15.
[99] The view that social-class influence within the NSDAP was of a conventional top-down nature is supported by Dietrich Orlow who said, ‘The party cadres all but duplicated the status divisions of German middle-class society. Far from levelling the social divisions of Germany under the Kaiser, the NSDAP perpetuated them among party militants’, Dietrich Orlow, *A History of the Nazi Party*, Pittsburgh, 1969, p.171.
[107] Feldman argues that ‘the Weimar Republic was a way station to a social structure in which the peasantry and *Mittelstand* were forced to experience a secular trend to their disfavor’. The disadvantages and contractions which they suffered had begun decades before as the socio-economic structure of Germany changed with the burgeoning of industrialisation, while the perceived (and probably real) oppressive regulations which governed the activities of farmers, craftsmen and small retailers were imposed early in the Great War and carried on by successive Weimar governments.

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Before considering the aspects of Nazi ideology which had affinities to liberalism, the electoral support for the NSDAP and the 'modernity' of National Socialism, it is instructive to look more closely at what actually constituted Nazi ideology itself. Much of German National Socialism throughout its brief quarter century of existence was defined in terms of what it opposed. The list is very long. Nazism was anti-Semitic, anti-Slav, anti-communist, anti-socialist, anti-liberal, anti-trade union, anti-parliamentarian, anti-democratic, anti-Weimar Republic, anti-Versailles Treaty, anti-League of Nations, anti-capitalist, anti-individualist, anti-intellectual, anti-cosmopolitan and anti-Christian.\(^1\) It was hostile to freemasons, homosexuals, Gypsies, Jehovah’s Witnesses, black people, pacifists, the mentally ill and the physically handicapped.\(^2\) In power it repressed abstract painting, atonal music, jazz, saxophone playing, muted trumpets, long hair in men and jitterbug dancing.\(^3\) Among the freedoms which the Nazis swiftly repressed after March 1933 were freedom of speech, freedom of expression in print, image or recording, freedom of assembly, freedom of association and freedom to strike or withdraw labour in an employment dispute. By the middle of the 1930s, all of the political progress and many of the legal rights which had been slowly built up in the 19th and early 20th centuries had been swept away.

But not only that; even the very concepts of equality before the law, a single unified legal system and impartiality of due process were severely undermined. The SS and the Gestapo had their own separate honour-courts shielding them from the law of the land, while the increasing use of ‘preventive custody’ to incarcerate people without trial and for an indefinite length of time in concentration camps, meant that anyone deemed undesirable to the regime could be deprived of their civil and legal

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rights at the whim of high or middle-ranking Nazi functionaries. At a deeper level, National Socialism harboured a hostility towards the judicial system itself, towards what was viewed as an inflexible bureaucratic structure which potentially impeded the execution of political and ideological policies and might indeed be construed as an alternative focus of loyalty or source of power. The Führer, after all, was held to embody the supreme authority of the state and people, and by extension the Party, and especially its leadership, should not be hampered by inconvenient rules of procedure, evidence or sentencing in the pursuit of its all-important mission in Germany.\[4\]

A list of beliefs, practices and peoples which a political movement opposes does not, however, constitute an ideology. On its own it simply seems to suggest a pathological disorder, a hostility to the world which goes beyond mere xenophobia or intolerance and verges on paranoid misanthropy. But clearly any analysis which suggests that 14 million people could vote for a party or ideology of mental derangement is less than believable. We have to see what world-view could produce a set of beliefs which in turn gave rise to such a hate list, and how such an apparently negative philosophy could attract widespread support. This thesis focuses principally upon one particular socio-economic group, the upper middle classes, which, overwhelmingly, comprised people who were well educated. It seems likely that many, if not most, of this group would have possessed analytical and reflective mentalities, and thus their attraction to, or agreement with, National Socialism, while it may have had an emotional or visceral component, almost certainly involved an intellectual process, whether proactive or reactive. In such a case, the nature of Nazi ideology, where it came from and who generated it, are of great significance in understanding the relationship between the NSDAP and the upper middle classes of early 20th-century Germany. This in turn helps to shed light upon the questions of whether Nazism was forward-looking or backward-looking, ‘progressive’ or ‘reactionary’, modern or atavistic.
Attention must be drawn to the fact that National Socialism was not a static ideology. It did not emerge fully fledged with the formation of the party in 1920; nor did it fix its ideas in tablets of stone with the publication of the so-called ‘unalterable’ Party Programme of 1920. By 1928, Article 17, which was an attack on private property and capitalism, had been renounced. Until then the Nazi Party had aimed primarily at winning mass support among the working classes and in the cities. With the failure of that strategy evident in the poor results of the 1928 Reichstag elections, the Party changed not only the focus of its electioneering and propaganda to concentrate on the middle classes, provincial towns and rural areas, but also changed the emphasis of its ideology to appeal to the existing world-views and tangible interests of this new constituency and the NSDAP’s expanded membership.

Just as significant is the watershed of 1933, the difference between the expressed ideology of National Socialism seeking to attract electoral support prior to this date, and the ideology of National Socialism after it had secured power. This is particularly significant for chapters 4-9 of this thesis which examine the congruity of VELA’s and the Nazi Party’s thought up to 1933. After the Machtübernahme greater emphasis accrued to NSDAP ideological tenets such as anti-Semitism, which was not employed as a principal plank of Nazi electioneering but gradually intensified from the unofficial boycott of 1933, through the Nuremberg Laws, the pogrom of Crystal Night in 1938, the ghettoisation of the Jews once the war had started and the eventual implementation of the Final Solution resulting in mass extermination. Prior to the spring of 1933, VELA’s periodical, Der leitende Angestellte, displayed no discernible anti-Jewish sentiments.

The advent of war also had a major catalytic effect on the evolution of Nazi ideology. Its principal effect was to accelerate all the changes which had been occurring in the nature of National Socialism since 1933 and to revitalise the radicalism of the movement which had appeared to suffer a setback in June 1934 in the ‘Night of the Long Knives’ liquidation of the SA leadership. The central agency in this orgy of murder was the SS whose loyalty to Hitler’s and Himmler’s leadership
was unquestioning and whose influence grew steadily thereafter. In the war years the role and influence of the SS mushroomed and it was this sinister organisation which now both generated and was entrusted with the most radical ideological projects of the regime. This was a very different radicalism from the more levelling anti-bourgeois SA turmoil of the years up to mid-1934. This was an elitist, systematic radicalism whose fields of operation were largely the racial purification policies and the Lebensraum expansionist aims of the Third Reich.[9]

Very few people, very few indeed, had voted in 1932 or 1933 for a repressive police state, the mass murder of Jews and a European-wide war, yet within less than a decade that was what National Socialism had led to. None of these phenomena was an accidental byproduct of war, the unfortunate result of the exigencies of conflict or the temporary requirement of national security; the ideological groundwork for their conception and implementation was laid in the 1920s and 1930s and they were all consistent with the core aims of Nazi ideology, even if the final form of the security apparatus, the solution to the so-called ‘Jewish Question’, the timing of the war and the alignment of its protagonists were not yet envisaged in 1933.

Nevertheless, it is arguable that, while Nazi ideology did undergo changes between 1920 and 1945, it is still possible to recognise a consistent central Weltanschaung or world-view.[10] It was embraced by the entire Party leadership despite disagreements over policy, it was the credo of many zealous Party members, and it was most definitely the definer of the distinctive mentality of the SS, the vanguard of Nazism and a model for the projected Thousand Year Reich. Central to National Socialist ideology was, firstly, the Social-Darwinist philosophy of the survival of the fittest among races and individuals. Secondly, the notion of the Führerprinzip, or leadership principle, entailing a strict hierarchical structure and demanding total obedience to superiors. Thirdly, the Volksgemeinschaft, or people's ethnic community, a view of a racially-exclusive organic society of unequals which nevertheless was somehow to be classless and harmonious, or at least class position was to be regarded as irrelevant; ‘equality of blood’ or ‘equality of race’ rather than
economic equality was both an ideal and a putative key to creating social harmony. Fourthly, this *Volksgemeinschaft* had to be constantly protected against both racial impurity and the attempts of other racial groups to displace, destroy, debilitate or dominate the intrinsically-superior German race, a task which would never end, which required periodic war and which called for Germans to have a larger living space at the expense of one of the perceived lowest racial groups in the great cosmic order – Germany’s eastern Slavic neighbours. Fifthly, and closely related to racial purity, was racial fitness and health; this amounted to an intolerance of the mentally ill, the physically disabled, the senile and anyone who was deemed to be an unproductive burden on the *Volksgemeinschaft*. Along with homosexuals, Jehovah’s Witnesses, Gypsies and Jews, all these categories were deemed undesirable and dispensable, candidates for sterilisation, ‘euthanasia’ and the gas chambers.\[111\]

Almost all of Nazi ideology is contained within these five related tenets. In fact, if one were to attempt to distil National Socialism down further, the idea of struggle and survival of the fittest would appear to be the central kernel of its world-view.\[12\] This concept manifested itself in National Socialist ideology in the racial sphere in a hierarchy which placed Jews at the very bottom, a race which was alternately totally worthless and useless and at other times so dangerous, clever and devious that it was a rival for world domination.\[13\] Just above them were black people, who were often described as not wholly human. Next were Asians, yet this was complicated by several factors: by a lingering German romantic view of China where the Second Reich had established successful colonial enclaves, by the alliance with Japan, and by the assertion of Aryan supremacy, since the tenets of the Aryan doctrine put the origins of this spurious racial descent in northern India. Next in the pyramid, either just above or, especially during the years of war with Russia, on a par with Asians were the Slavs who were deemed incapable of creating culture or nation states (although how Bulgaria and Russia came into existence thus remained a problem). The next major bloc consisted of European Latin and Romance peoples - Spaniards, Portuguese, Romanians, Italians, French - with the Greeks thrown in too, since they had at one time made a major contribution to civilisation. These people were deemed worthy of
existence and their cultures had value, but they were not as vital as the Germanic races and their days of dominance (the Roman Empire, the Spanish Empire and the Napoleonic era) had passed.

As we reach the apex of the Nazi racial pyramid there are further complications - for instance the place of the Anglo-Saxon (and Celtic) British. While Hitler sought throughout the middle 1930s to secure an alliance or understanding with Britain, her people were seen as very nearly the racial equals of Germans, but once the two were at war the British were demoted a level. The second complication is the position of the Germanic and Nordic races (i.e. the Dutch, Flemings, Norwegians and Danes) vis-à-vis the so-called proper Germans who included not only the Austrians, but also German-speaking communities in Romania, the Crimea, the Baltic states and northern Italy - the Volksdeutsche or ‘ethnic Germans’. When many tall blond Norwegians looked more like the Aryan ideal than Hitler, Himmler and Goebbels, this posed a rather thorny ethnographic problem.\[14\]

Besides the racial hierarchy, however, Nazi ideology also significantly saw differences in value and intrinsic worth between individuals, and this applied to the ‘master-race’ Germans as well. Hitler himself was quite clear about this, as he stated unequivocally in the second volume of Mein Kampf:

\[T]he ultimate consequence of recognising the importance of blood - that is, of the racial foundation in general - is the transferance of this estimation to the individual person. In general, I must evaluate peoples differently on the basis of the race they belong to, and the same applies to the individual men within a national community. The realisation that peoples are not equal transfers itself to the individual man within a national community, in the sense that men’s minds cannot be equal, since here, too, the blood components, though equal in their broad outlines, are, in particular cases, subject to thousands of the finest differentiations.\[15\]

Thus the elite at the top of the strict hierarchies which made up the Third Reich viewed themselves as superior men.\[16\] What justified this attitude was the simple fact
that they were there at the top, that in the survival of the fittest doctrine they must be the strongest and, in turn, the best.\textsuperscript{17}

This world-view of differential human worth both created and was the result of an attitude of mind which, not to put too fine a point on it, was one of despising the masses, even the Übermenschen, or ‘superior-man’, German masses. It is closely related to that school of thought known as cultural elitism which existed in the last quarter of the 19th century and early 20th century. The best known German advocates of this philosophical outlook were Heinrich von Treitschke, Jakob Burckhardt, Friedrich Nietzsche and Stefan George. They believed that it was impossible to elevate the masses, that only a small minority of men could create or even appreciate ‘higher’ culture, and that the elites should be shielded from popular pressures or else civilisation would crumble. They also believed that, on account of the insatiability of human desires, there would always be a requirement for an elite to live off others’ labours.\textsuperscript{18}

In the words of von Treitschke, an influential Wilhelmine historian and National Liberal Reichstag member (1871-88), ‘Millions must till the soil and forge and plane, that a few thousand can research, paint and rule.’\textsuperscript{19} This same bourgeois liberal also coined the aphorism, ‘no higher culture without servants’, and went on to claim that, ‘hard, dirty labour’ was necessary to sustain ‘the achieved state of civilised morals’\textsuperscript{20}. In his classic and influential essay of 1874, Sozialismus und seine Gönner (‘Socialism and its Patrons’),\textsuperscript{21} von Treitschke argued that social reform was a futile undertaking because the essential nature of any social order was immutably hierarchical: ‘class domination - or more accurately, the class order - is as necessary a part of society as the contrast between rulers and ruled is a natural part of the state’.\textsuperscript{22} This line of reasoning led him to contend that even attempting to provide education for the masses was self-defeating; it simply generated popular discontent because most people lacked the necessary spiritual depths to appreciate and benefit from learning.\textsuperscript{23} During the 1860s von Treitschke had been in favour of scrapping the Prussian three-tier voting system and replacing it with an equal democratic franchise, but by
the time he had written that seminal work which formed the basis of his political and ideological world-view for the next 22 influential years of his life, he was describing universal suffrage as 'organised indiscipline, the recognised hegemony of the irrational, the superiority of soldiers over their officers, of apprentices over their masters, of workers over employers'.\(^{124}\) Von Treitschke's central argument in *Sozialismus und seine Gönner* was that the bourgeoisie did not constitute a new social basis from which a movement for a more egalitarian society would flow, but was instead an elite which had to be shielded from an inevitably inferior majority. In other words, cultural elitism and a strand of liberal thinking (the significance of which will be further explored below), were both claiming that a small minority were exclusively endowed with genius, greatness, spirituality and leadership, and only that specially-endowed minority could understand and appreciate what was best for society. This view was to resurface practically intact in the evolving world-view of VELA's members in the 1920s and early 1930s.

One factor which differentiated these right-wing views from more traditional conservative elitism was a belief in a more open elite - a belief that genius, while it might be heritable, was just as likely to emerge spontaneously at any level of society and should be encouraged and rewarded. This in effect was also one of the factors which was to differentiate the Nazi Party from the DNVP, the principal conservative nationalist party of Weimar Germany. The DNVP, especially after Alfred Hugenberg became leader in 1928, sought to conserve the power and class system as it existed, or indeed as it had existed in Imperial times.\(^{125}\) Conservative leaders wanted to retain the old elites (i.e. themselves) at the top, and thus they were essentially supporting a closed elite with only very limited social mobility. They were in fact resistant to what we might call a meritocracy, steeped as they were in a status-conscious and indeed snobbish tradition. The Nazis, on the other hand, were ideological believers in an 'open-yet-authoritarian elite', a term to which I shall return shortly.

The concept of the survival (and, indeed, prospering) of the fittest applying to individuals as well as to races, seems at first glance to contradict two of the Nazi
Party's most popular axioms – 'the common good before personal advancement' and 'the common interest before individual interest'. It also seems to contradict another Nazi maxim which said that the individual was nothing, the community or the race was everything. Nazism's hostility to liberalism, and in its early years its hostility to capitalism, was based on an apparent rejection of egoistic individualism which was held to be inimical to the interests of the nation. Thus it is possible to view Nazi ideology as actually and objectively embodying a belief that the will of the strongest and the wishes of the most powerful should prevail, while at the same time propounding a social philosophy for public consumption which stressed selflessness and the creation of a mutually beneficial people's community.

It seems clear that this is exactly what Hermann Goering, for example, believed. An undoubtedly committed Nazi, he nevertheless viewed the people's community, the *Volksgemeinschaft*, where there was supposed to be equal respect for manual labourers and government ministers, as largely a means towards the end of maintaining in power the Nazi Party and its *Reichsleitung*, in order that he and they could achieve ends of their own choosing, always, of course, presenting them as directed towards the national interest. He utilised the National Socialist emphasis upon national over selfish interests to justify the extension of state control over the economy in the setting-up of the Four Year Plan, which greatly enlarged his fiefdom in the constellation of little empires which made up the very inegalitarian *Volksgemeinschaft* of the Third Reich. Even the plundering of the artworks and treasures of occupied Europe for his own personal collections was portrayed as protecting Europe's cultural heritage. Goering was indeed a dyed-in-the-wool Nazi, but he was also self-indulgent, vain and power-hungry, making none of the sacrifices he demanded of those beneath his station.

Equally, technocrats of power such as Heydrich, Bormann, Speer and Goebbels certainly saw ideology as a method of social control and not as an expression of some great metaphysical truth. At the opposite end of the Nazi spectrum were the true believers - Hitler, Himmler, Hess and Rosenberg. I would contend that they
simultaneously believed that the will of the strongest should prevail and yet also sincerely believed in the *Volksgemeinschaft* where individual self-interest was subordinated to the greater good. This could be construed as a schizophrenic state of mind, and it has long been a temptation among many commentators on Nazi Germany to explain away this disturbingly and incomprehensibly barbaric regime as the product of individual madness or badness. It is also possible, however, to see a sort of wishful-thinking religiosity at work, whereby it is believed that the will of the powerful, by cosmic decree, always strives to work for the greater racial and national good rather than for self-aggrandisement. Certainly both Himmler and Hitler believed that they inherently embodied the true will of the people by virtue of divine providence.\[^{29}\]

There is also a further possibility which does not preclude the pragmatic or the metaphysical interpretation of National Socialism, and may in fact illuminate further the common ground between the different wings of the ideology: in such an elitist world-view as Nazism it would be easy to believe that there was one law for the chosen few and another for the less able masses. This would be quite compatible with the Nietzschean strain of *Übermensch* thinking which ran through Nazism. It is also the most persuasive interpretation of Nazi ideology. Despite its talk of *Volksgemeinschaft*, National Socialism was above all an elitist political phenomenon, 'an elitist politics for a mass age'.\[^{30}\] It emphasised the need for total obedience, couched often in more romantic and noble-sounding terms such as loyalty, duty and honour, and in every sphere of life it sought to create an undemocratic system of leaders and followers. To take just one example: when the trade unions were forcibly abolished in 1933, the German Labour Front was set up in their place ostensibly creating an organisation containing both workers and management working together. Yet the truth of the one-sided bias in favour of management and owners was expressed not just in the repressive record of labour relations throughout the Third Reich, but in the very titles given to the two factions - plant-leaders and plant-followers.\[^{31}\] National Socialist ideology, as embodied in the beliefs of those who counted the most - the government leadership, the Party hierarchy, the *Gauleiter*
and the SS\textsuperscript{[32]} envisaged a new aristocracy dominating and ruling Germany. And this elitist world-view was inspired by the belief that different people have different worth.

Of particular importance for the subject matter of this study was a new emphasis, beginning from around 1928, upon Leistung, or achievement, which helped lead to a swift abandonment of the anti-capitalist strain of Nazi thought. Indeed, as the rearmament drive really got underway from 1936 and the Four Year Plan, big business and industry became a necessity for delivering the weapons of war, relegating the peasant-idyll notions of those such as Walther Darré, the Reich Agricultural Leader, Food Minister and head of the organisation of German farmers, to the background.\textsuperscript{[33]} However, although the need to improve productivity and output in the arms build-up, in the drive for military victory in the war and in the obsession with racial measures, allowed Leistung to become both an ideological driving force and a justification for barbarity, it is worth remembering that the foundations were laid in the late 1920s with the electoral needs of the Party. Joseph Goebbels, Gregor Strasser and Adolf Hitler, among others, did much to reassure the business classes, generally in speeches and addresses to closed meetings of their representatives, that the Nazis were not a threat to their existence or their property ownership.\textsuperscript{[34]} This was emphasised by stressing National Socialist belief in the virtues of achievement and success, two characteristics which underpin both capitalism and liberalism. Leistung was a principle which exalted efficiency and effectiveness and implied that the ends justified the means. It was lauded as a ‘German’ virtue, and therefore those who displayed this ability could claim to be more purely German (or Aryan or Nordic depending on one’s particular view of race). Success in achievement benefited the nation, and so ruthless pursuit of that goal was to be applauded.\textsuperscript{[35]} This view dovetailed neatly with the strong nationalist strain which ran through the ideologies of the right-wing bourgeois parties of Weimar Germany as well as through the NSDAP.

It also meshed well with the anti-democratic proclivities of many supporters of the DNVP and the DVP, right-wing conservative and liberal parties respectively.\textsuperscript{[36]}
and with the views of large numbers of the upper middle class in general. These opinions grew out of the belief that educated and successful men knew better than the masses of the population what was good for them and for Germany. Thus democracy was seen as an impediment to the greater good. Through parliamentary democracy the common people in their ignorance were more likely to harm German interests than advance them. Among those now wishing to stake a claim to be part of this privileged elite which should alone wield power were the upper middle classes. The *haute bourgeoisie* had long since joined these exclusive ranks previously monopolised by the aristocratic and landed elites - beginning in the 1860s and being well consolidated by the turn of the century. Now professionals, educated men and those who managed the companies of capitalist owners sought to share in that power politically, economically and socially. Where once owner-managers and family firms had been dominant in the German economy, by the 1920s and 1930s many companies had become so large, commerce had become so complex and technology so advanced, that large numbers of specialist managers were now required. This 'new class' of administrators was by now a *sine qua non* for running industry, finance and trade. In addition, by the 1920s, they had recognised this indispensability and saw their function as on a par with professional bodies such as doctors, professors and lawyers. Beginning with engineers and chemists, the professionalisation project had spread by the 1920s to almost all other areas of upper and upper middle management - plant managers, department managers, personnel directors, auditors and so forth. Out of this phenomenon emerged VELA, the organisation for senior salaried management.

In chapters 4-9 of this thesis it is demonstrated that these senior managers perceived their efforts and skills to be essential for producing profits and wealth for their employers and, believing themselves to be undervalued, aspired to an enhanced status, income and power which they felt were due for such achievements. Their justification for rewards in excess of what they already received was based not on birth or tradition, but on *Leistung* - on achievement and performance. To the successful should go the spoils - effectively a form of meritocracy, a concept well in keeping with the *Zeitgeist* of 'advanced' 20th-century capitalism. Among the rights
which went with success was the right of management to manage without interference. In theory and rhetoric this meant without interference from the owners, but in practice it mostly meant opposition to any attempts by organised labour to have a say in the running of firms.

But over and above this hostility to economic democracy went an aversion to political democracy - the position not only of the DNVP and DVP, but also of the NSDAP. Upper-middle-class distrust of democracy dated back to Imperial times and beyond, indeed to the abortive revolutions of 1848 when the bourgeoisie realised that it was more afraid of its radical working-class and lower-order allies than of the ancien régime, the latter being more frustrating than threatening to its interests. Democracy was viewed by the bourgeoisie/upper middle class for the next 70 years with great suspicion. Although this subsided somewhat in the 1920s, especially in the so-called golden years of 1924-28, it mushroomed once more with the Great Depression, growing stronger as the bourgeois political parties of Weimar Germany showed themselves incapable of harnessing democracy in the interests of the wishes and perceptions of Germany’s higher social classes. As democracy failed to deliver for them, so their tentative acceptance, or perhaps more accurately their tolerance, of it withered. Their embracing of Leistung and meritocracy interacted with this anti-democratic world-view to produce what amounted to a belief in an ‘open-yet-authoritarian elite’.

The term ‘open-yet-authoritarian elite’ originated with Walter Struve in his book Elites Against Democracy. He saw it as a guiding characteristic of late 19th- and early 20th-century German bourgeois political thought; that is to say that it was the world-view not only of the Besitzbürgertum of wealthy capitalists and merchants, but also of the Bildungbürgertum of the educated and professional upper middle classes, i.e. all the bourgeoisie who were not part of the petite bourgeoisie. What the term meant was a belief that an elite is both essential and inevitable and that this special group/class should be the one to formulate crucial decisions about society, politics and the economy. Accompanying this was the assertion that elites are the ultimate
agents of historical change. Where this differed from contemporary conservative thought was in its belief that society's elite should be drawn from a wide spectrum to ensure that the best were selected, and not restricted to one class or sector, nor simply reliant upon birth or genealogy.

In this ideological world-view politics were seen as largely a question of who the few who were to lead should be - effectively a revolving of elites. This implied that what this bourgeois thought was advocating was not democracy of decision-making, but democracy of personnel selection - with the bourgeoisie as a partner with the old elites of aristocracy and land in forming the limited constituency for political office. Of course it also (at least theoretically) allowed specially gifted members of the lower orders to rise into the ranks of the elite. However, since higher education was perceived as a virtual necessity for entry into the political elite, this effectively disqualified the poor, the working class and most of the petite bourgeoisie who could not afford the high cost of a university education which had to be borne privately. Wealth too could open the doors to entry, but despite the great expansion in the number of industrial concerns, commercial firms and trading companies in 19th- and early 20th-century Germany, most of the new founders and owners actually emerged from the the old nobility and gentry, or were the second or third generation of professional families, or were the younger sons of existing business owners. Few working-class or lower-middle-class people became wealthy company owners even in the expansive boom years of 1850 to 1873 or between 1890 and 1914.[43]

Until the early 1920s, this 'bourgeois' belief, as Struve called it, was in fact far more the preserve of liberal, and hence predominantly upper-middle-class, thought than it was of conservative, and hence predominantly, but not exclusively, upper-class thought. Alongside the cultural elitists mentioned earlier, he demonstrated that among those most closely connected with the belief in, and development of, the ideology/philosophy of an open-yet-authoritarian elite, were many of the leading lights of the Progressive Liberal Party and others associated in the popular mind with political and social reform, men such as Hugo Preuss, Max and Alfred Weber,
Theodor Barth and Friedrich Naumann. In 1891 Hugo Preuss, the principal architect of the Weimar Constitution, said, "Always and everywhere the few command and the many obey." This was not a condemnation nor a call to challenge such an elitist and undemocratic state of affairs. The aim was in fact to prevent social revolution, to thwart the rise of the Social Democrats and indeed to blunt the perceived threat of full political democracy itself by changing the composition of the nation's political leaders. This emerging theory developed the notion that elites should be responsive but not responsible to the German population.

Struve saw this new 'liberal elitism', developing in the 1890s and early 20th century, arising as a result of tensions in the dominant social coalition of wealthy noblemen and urban commercial and industrial capitalists. Among the contentious issues involved were free trade, commercial law, foreign policy, naval building and the treatment of the trade union movement. The principal strain arose from the disproportionate influence of Prussian Junkers who were the main proponents of a high protective agricultural tariff. This was opposed by many industrial interests, especially among the newer chemical, electrical and engineering industries, and by most of the large banks. It appeared that a compromise had been reached at the turn of the century whereby, in exchange for a substantial programme of naval building and an expanded policy of overseas imperialism, agricultural import duties were maintained. Struve argued, however, that a significant strand of bourgeois opinion diverged from this apparent consensus. Among those holding and expressing such views were the German liberal elitists, prominent among whom were men often perceived as on the left, or even the 'democratic', wing of German liberalism.

According to Struve, the liberal elitists were distinguished by their aggressive insistence upon 'the formation of a new political elite which would actively recruit members from all strata of society', a rejection of calls for popular control, and a critique of the political leadership of the Empire, portraying it as weak, vacillating and dominated by 'egocentric agrarians', nobles and 'feudalised bourgeois'. Although
the analysis within this thesis does not subscribe to the enfeudalising-of-the-bourgeoisie theory, this does not mean that the liberal elitists of the time did not see it that way, even if they were not using that much later terminology to express this view. Suitably updated by replacing the ruling institutions of the Kaiserreich with those of the Weimar Republic, their critique bears some remarkable resemblances to a large part of that world-view which developed within VELA between c1930 and 1933 (see chapters 8 & 9). Perhaps even more indicative of a link between, and a continuity with, this kind of liberal-elitist thinking and the ideology fashioned by VELA in the Weimar years, is the assertion made by Struve and others that, from the 1890s, ‘liberal elitists .....wanted to install political leaders appropriate to a bourgeois industrial society’.[49]

An example of a prominent individual who embodied such beliefs was Friedrich Naumann (1860-1919), who has been routinely and universally seen as a left liberal of the Kaiserreich, although he was not a member of either of the major Wilhelmine liberal parties. His first political experience was gained through working with Adolf Stöcker’s Christlichsoziale Bewegung, or Christian Social Party. The main goal of the Christian Social Party was to provide a politically conservative alternative or rival to the SPD for working class support. Espousing a policy of social reform and state-sponsored welfare, its deeply anti-semitic leader was, remarkably, also a member of the executive committee of the German Conservative Party.[50] Eventually rejecting the pro-Junker and pro-large-scale farming politics of the Christian Socials, Naumann went on in 1896 to become a founding member and leader of a separate (but not very electorally successful) party, the National-sozialer Verein, or National Social Association. In many respects this party was also a vehicle for opposing the SPD and egalitarian socialism, aiming to win over the moderates and right-wing elements among the Social Democratic leadership and among the skilled workers and better-off working class. When it became clear by 1903 that the National Socials were getting nowhere as a political force, Naumann dissolved the party and led most of its members into the small Freisinnige Vereinigung (Free-Thought Association) which,
in 1910, entered into union with other ‘left-liberal’ parties to form the *Fortschrittliche Volkspartei*, or Progressive People’s Party.\[11\]

During his sojourn through the various liberal groups, Naumann was a consistent advocate of a large military budget, an enthusiast for *Weltpolitik* or a global imperialist policy,\[12\] and a believer in large-scale capitalism as a modernising and progressive force (while admitting that sections of heavy industry were lacking in social and political progressiveness), views which were generally shared by the largely urban bourgeois membership of the *Freisinnige Vereinigung* and the *Fortschrittliche Volkspartei*. He identified most closely with what he, and many subsequent historians, regarded as the most forward-looking industrial sector - the engineering, chemical and electrical industries.\[13\] These industries in turn were major backers of both the *Freisinnige Vereinigung* and the *Fortschrittliche Volkspartei*.\[14\] It is of interest to note that many of VELA’s senior managerial members in the 1920s and 1930s were drawn from electrical and engineering firms, most notably Siemens, AEG, Bosch and Zeiss. This perhaps becomes even more significant when considered alongside the fact that Naumann was a close friend of both Robert Bosch and Ernst Abbé of the Zeiss optical works in Jena.\[15\]

This close connection with, and positive attitude towards, modern industry and commerce did much to shape Naumann’s view of what the proper functions and characteristics of political leaders should be. Leadership, he said, ought to comprise political technicians, acting for the national good, serving as power brokers, mediators and manipulators of organised interest groups. Naumann was clear that he expected such leaders to emerge from the bourgeoisie, indeed from among the business community, declaring in 1909 that he keenly anticipated ‘a future condition in which the industrial upper stratum will, through its organisation and its will to power, take into its own hands the governmental apparatus as well as parliamentary leadership’. Nevertheless he did not seek to exclude from leadership positions men from other social classes, either higher or lower, who displayed talent and who shared his view of politics as a business.\[16\] Naumann was very much a forward-looking individual who

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was at home in the modernity of his age. He was staunchly opposed to what he saw as the feudalising and fossilising tendencies of the ancien régime of agrarians and Junkers, putting his faith instead in an industrialised and business-oriented model of society. Yet he was an ardent imperialist, while his commitment to democracy and a universal franchise was compromised by an inherent lack of faith in the Volk and a belief that this unreliability might often have to be overridden by strong-willed, independent leaders. This was demonstrated most starkly in his 1904 book, Demokratie und Kaisertum ('Democracy and Imperial Rule'), where he argued that political reform should come by converting the emperor to the cause of democratisation.

An even more significant and influential individual, who also qualifies as a liberal elitist, was the sociologist, Max Weber (1864-1920). He was a severe critic of the weakness and illiberality of the Second Reich and served upon the committee which was entrusted with the drafting of the Weimar constitution. Because of his association with ideas of parliamentary democracy and his acceptance of the political institutions of contemporary Western powers as models with relevance for Germany, and because of his close associations with the Progressive Liberals and the DDP, and because he was seen as one of the founding fathers of the Weimar Republic, Weber’s image as a democratic liberal became widespread, his reputation reaching new heights in West Germany in the 1950s and 1960s where he was viewed as a forerunner and ‘glorious ancestor’, of the newly established democratic Federal Republic.

However, as early as 1958, some historians and social scientists started to comment upon the dichotomy between this perception and interpretation of Weber’s works, and the political reality of his consistent advocacy of German nationalism and imperialism. A new analysis began to emerge arguing that his support for a parliamentary democratic order was a pragmatic one, taken in order to serve the power of the German national state. Weber himself made it clear that he regarded the nation state as constituting one of the highest of ideals, as possessing an existence of its own, and as an ultimate or primary value. As a historical necessity and as the
source of civilisation, well-being, progress, culture and even meaning, the individual should therefore act through and for his national state. Consequently, he was solidly behind the German war effort from 1914 until late 1918, declaring in a speech in October 1916 that Germany had a 'responsibility and duty to history' to assert its national power. When the Second Empire collapsed, he justified the creation of a republic by saying that, "We must favour that [original italics] form of state which makes possible the union of the largest possible number of Germans in one unit."[63]

At first glance, therefore, Weber's views on political structures could appear to have been guided by choosing whatever means were necessary and available for reaching an overriding end or goal. While there is some truth in this assertion, it is far from explaining how he arrived at his particular political positions at different moments in time. There was a greater intellectual and ideological basis and coherence to his thinking than mere one-dimensional pragmatism. Reflected in his sociological theories and works, Weber believed that social conflict was ineradicable and inevitable, but also desirable and beneficial. Informed by his absorption of many of the ideas of Social Darwinism in the 1890s, he claimed that, out of this productive struggle, there inevitably emerged a high-status group which became the bearer of culture, which set the moral and social standards of society, and which gave stability to that society.[65]

Similarly, the exercise of political control always devolved into the hands of a few men, regardless of the form of the state. 'Everywhere, whether within or outside democracies, politics is made by the few', he said in a phrase remarkably similar to that uttered by Hugo Preuss. This belief in the efficacy of elites also carried the necessary corollary that the mass of humankind was incapable of the achievements of those specially-endowed elites. Couching this sentiment in less stark and brutal language than did that other liberal elitist, Heinrich von Treitschke, Weber was certainly displaying less arrogance and less scorn for perceived lesser men, but, nevertheless, he was still singing from the same ideological hymn-sheet when he wrote: 'The "mass" as such (no matter which social strata comprise it) thinks only as
far as tomorrow',[67] and, on another occasion, referring to the inability of the ordinary man to understand politics, and therefore the futility of seeking the popular will through full participatory democracy: ‘It is as if one were to speak of a will of shoe consumers which should determine the technology of shoemaking! Of course the shoe consumers know where the shoe pinches, but they never know how it can be improved’. [68]

In this politico-social analysis, Weber above all (and perhaps above all other liberal elitists) concerned himself with the concept of leadership and with the qualities which were required to fulfil such a function. He considered Bildung an especially important factor and this, coupled with a belief that only men of ‘independent means’ could devote enough of their energies to a fulltime political career, and that men of means were less likely to be greedy than those whose income was less certain, led him always to believe that such leaders would and should emerge very largely from the bourgeoisie, despite certain admitted shortcomings he ascribed to this class.[69] The desirability of a leadership demonstrating such attributes, modified to include well-paid senior salaried managers and the other components of the Weimar upper middle class, formed a powerful theme running through the writings in Der leitende Angestellte during the Weimar years. So too did the spiritual and psychological qualities needed of such leaders, and this was a subject upon which Weber wrote a great deal and for which he is remembered today.

Weber’s exegesis of, and approval for, the concept of the ‘charismatic leader’ arose from his early belief in aristocratic individualism, which was informed both by liberal ontology and by Nietzsche’s idea of the value-setting personality who sets up new goals for mankind and prevents it sliding into the mediocrity of a leaderless herd of ‘equals’.[70] Later, when his doubts about the competence of the Junkers’ class to rule Germany effectively had hardened into opposition to much of the ancien regime (including Wilhelm II), his concept of the charismatic leader developed into a model of the man of personality, wisdom and drive who should act entirely according to his own judgement, and not be bound by any notion of mandate or the ‘expressed or
presumed.....will of the electorate’. This man could theoretically be drawn from any social class, but was most likely to emerge from the bourgeoisie, despite the fact that Weber believed that the German bourgeoisie was still politically immature (a forerunner of the theory of the ‘missing bourgeois revolution’?). The working class, he believed, was even more politically naive and not to be trusted, while his severest scorn was reserved for the lower middle class, declaring in 1904 that ‘the greatest danger to our political life in Germany is that we fall under the rule of philistines, the petty bourgeoisie’; this philistinism he described as ‘lack of developed instincts for national power, the limitation of political endeavours to material goods or even the interests of one’s own generation, and the lack of any consciousness of the measure of one’s responsibility vis-à-vis our heirs’. This refrain bears certain similarities to the views on the petite bourgeoisie of Hermann Rauschning and others examined in the previous chapter.

Weber defined charisma as ‘the specifically “creative” power in history’, placing emphasis upon inherent, unacquirable personality characteristics and spiritual endowment. Weber could thus speak of the ‘born leader’ whose attraction and support were based on the fact that ‘men do not obey him by virtue of tradition or statute, but because they believe in him. The devotion of his followers is oriented toward his person and its qualities’. In his vision of a better political structure than that offered by the Second Reich, such charismatic leaders would elicit support from the masses by using plebiscitary techniques, while a parliament, elected by a full democratic franchise, would largely act as a means to remove, in an orderly fashion, leaders who failed to live up to these transcendental qualities or who threatened to become despots. The franchise, in Weber’s opinion, would not and should not pass political control into the hands of the masses, but should merely serve as a way to involve most people in certain stages of the selection of political leaders, and as a means of delivering an educational experience for the average German.

As late as autumn, 1918, Weber had little inkling of the potential for social revolution in Germany and was only briefly alarmed at the prospect of the SPD
proving to be a genuinely revolutionary or socialist threat. Once the Weimar Republic was in place, he once more became sanguine about the likelihood of popular political control. In part this was due to his belief that political organisation of the masses would alleviate direct popular pressures, and in part because of his optimism about that clause in the constitution which he had helped to frame, providing the President of the Republic with far-reaching powers and making his office subject to popular rather than parliamentary election. This was the office which Weber hoped would be filled by one great charismatic leader, who would then ensure that further charismatic individuals found their way into the elite governing the German nation.

Wolfgang Mommsen argued that Weber was simply naive about the dangers of demagoguery and despotism arising in such a political model, his main concern being a desire to prevent suffocating bureaucratisation by setting up men of heroic, visionary character in leadership positions to give the nation purpose, directions and goals. Yet Weber stated quite unequivocally that he considered demagoguery to be important among the talents required of a political leader. Furthermore, he wanted to see political parties largely organised as followings for charismatic leaders. Their subsequent election would be more than just a casting of a ballot; it would be a ‘profession of “belief” in the call to leadership of the person who claims this acclamation’. He even went as far as to say that, in the model of charismatic leadership, there was a need for complete subserviance and ‘blind obedience’ from followers. Commands from superiors should not be questioned, but obeyed unhesitatingly, for to do anything else was to cease to believe in the charisma. Thus, while the great leader continued to be successful, his followers should, and almost certainly would, obey him unreservedly. Fitting this into his model of how he believed the newly created Weimar Republic should operate, he wrote: ‘The much discussed dictatorship of the masses necessitates a “dictator” - an elected [my italics] individual possessing the confidence of the masses and to whom the masses subordinate themselves as long as he retains their confidence’. Weber is quite obviously describing a constitutional dictator in this scenario; and perhaps it is too
obvious to need to draw attention to the fact that Adolf Hitler came to power as just that.

Many commentators on Weber seem to feel the need to echo the words of Wolfgang Mommsen, 'According to all that we know about him, he would have been a passionate foe of fascism'.[186] Yet, naive or otherwise, the fact is that the thinking and theorising of this archetypal liberal, this supposed man of the democratic left, was part of the development of the ideology of liberal elitism; and who can say whether this defensive democrat, had he lived beyond 1920, would not have theorised his way back out of support for Weimar democracy by, say, 1930, when he realised that it was not performing as he had hoped in either operation or effectiveness?

During the Second Reich, the liberal elitists' enduring political opposition to the old conservative agrarian ruling classes could rely upon a measure of popular backing down through many of the lesser classes. They were, in addition, fulsome enthusiasts for the populist causes of imperialism, a great navy and an expanded German empire.[187] Liberal elitists before World War I were also pro-monarchist, a view born out of genuine conviction and again a populist position, which garnered them a measure of electoral support beyond the narrow class origins of their political leadership.[188] However, after 1918 this latter view was much more associated with the conservative DNVP.[189] After World War I liberal elitism (and indeed liberalism in general) became, at best, lukewarm towards monarchism for the simple and ideologically consistent reason that the Hohenzollerns had failed Germany by leading her to defeat. They were no longer worthy to be automatic leaders of the elite - their achievement level had sunk too low for that. Although the liberal DVP was pro-republican, it soon became hostile to the Weimar system, despite the efforts of Gustav Stresemann to work within its political framework.[190] In part this was because of the Republic's association with the Versailles settlement, but also because Weimar's democratic political institutions allowed the left not only to have a greater voice and influence, but actually to achieve office and introduce measures such as works' councils, the 40-hour week, social welfare reform and pro-trade union
Opposed to egalitarianism on ideologically fundamental grounds, not the least of which were the modern principles of meritocracy and Leistung, many liberals became even more anti-democratic than before the Great War, especially from around 1929 and the crisis of the Depression.

One must not, however, think that 19th-century conservatives were totally impervious to this powerful strain of meritocratic or social-mobility liberal thought. Some conservatives believed that some measure of movement into (if not out of) the aristocracy was needed to blunt the rise of democratic aspirations and prevent the spectre of popular control. It was in the interests of the aristocracy to admit new blood to the elite pool - both metaphorically and biologically. The new sciences of biology and eugenics and the pseudo-science of Social Darwinism could be used to support the traditional view that superiority was an inherited characteristic confined to an already demarcated group, namely the nobility itself. But these sciences could also be employed to argue that genius or superiority might appear in any class by genetic quirk, regression or transmutation. Secondly, even if it were inherited, could one be sure that all of Germany's best genetic stock had been corralled in the limited pool of aristocracy? How could you be sure that substantial quantities of good genes (or blood) had not been overlooked in the unscientific past? It was this view which tended to gain the upper hand as can be seen in many examples from the Imperial period. During this era large numbers of the haute bourgeoisie who had become successful and very rich capitalist owners of manufacturing, banking and commerce were elevated to the nobility. The reserve officer system was opened up to the bourgeoisie and became a highly sought-after symbol of enhanced status - not a conferring of nobility, but nevertheless an elevation carrying the hope that this would be a stepping stone on the way to eventual family ennoblement. This might even take a generation or two to achieve, but it certainly offered the chance of some sort of upward social mobility for the upper middle classes. Finally, if such a conservative, nationalist, völkisch writer as Paul de Lagarde could propose opening up the nobility by admitting new members on the basis of merit, then it is plain to see that liberal elitist ideology
was becoming very strong, if not yet hegemonic, among all the upper levels of pre-1914 German society.

Most later 19th-century German liberals were not advocates of the destruction of the nobility. This was not just because of the unspoken pact which divided economic power and high political office between, respectively, the bourgeoisie and the old elites, but far more because so many of the bourgeoisie aspired to nobility. Much conservative and liberal bourgeois thinking held that economic power should indeed result in political power, but that this should also ideally be accompanied by the conferring of titles. The great bulk of liberal thinking did not advocate social revolution in the sense of the abolition of classes, status or inequalities of wealth. They did not even particularly entertain the idea that the bourgeoisie, or even the *haute bourgeoisie*, should become the political ruling class. What they were seeking was largely social mobility and the hope that they could rise as far as their talents and wealth could take them, moving unhindered up through the classes until they too became ennobled. Nor did they seek to abolish privilege - far from it. They aspired instead to increase their already substantial economic, educational, and indeed local and *Länder* (provincial) political advantages, through oiling the mechanisms of social advancement which were being jammed by traditional conservative old-elite vested interests. This later 19th-century liberal view was essentially not all that different in the 1920s and early 1930s, except that the concept of formal aristocracy and ennoblement had disappeared.

De Lagarde actually qualified his criteria for entry into the nobility by saying that this reward should be given to those whose achievement was of service to the state. Attitudes towards the state are very important in understanding the development of German liberal thought from the middle of the 19th century. The accommodation of liberals to the Second Reich was in large measure achieved by the genesis of positive attitudes towards the administrative state. After the shock of 1848, when liberal republican calls for representative government helped to inspire the lower social classes to come out on to the streets, the bourgeoisie’s attitude to universal
democracy became much more constrained. Eventually finding themselves in the greatest part on the opposite side of the barricades from the lower orders, they settled for a compromise which effectively left national or state high politics to the old elites in return for greater control in the economic sphere. But they also moved into another important realm - the state bureaucracy. Thereafter the bureaucracy was viewed by them as essential, no longer the arm of a hostile political order, but as a mechanism for maintaining order and holding the ring in an increasingly laissez-faire liberal capitalist economy. Indeed by the end of the 19th century, most of the bourgeoisie, and probably most of the liberals among them, had come to see the state bureaucracy as more important and effective than a quarrelling Reichstag and as more strongly identified with the general (German) good than were politicians themselves. This hostility to professional politicians, and especially to elected representative government, would of course be a characteristic of parties of the right in the Weimar era - the DNVP, the DVP and, above all, the NSDAP.

However, there are several differences between the ideology of pre-First-World-War liberals of the right and post-First-World-War liberals of the right. Whereas in the Wilhelmine era the state bureaucracy was regarded with great respect and honour, in the 1920s it became somewhat tarnished because of its involvement in the functioning of the Weimar system. In addition, whereas before 1914 the state bureaucracy constituted, within limits, a German variety of the carrière ouverte aux talents, even if only open to the educated or wealthy, after the Great War upper-middle-class social mobility and status enhancement were seen to be achievable in other socio-economic arenas. One such field was business, in the realm of management. The sheer numbers involved in upper management had, by the end of the first third of the 20th century, greatly exceeded those of the Wilhelmine era. This in turn created greater insecurity in the 1920s and 1930s (just as it did among professionals) as recurring economic crises threatened unemployment and an undermining of their economic position and hence social status. Politics now took on a greater significance in the thinking of this sector of society, as it did generally across all classes and occupations in the highly politicised atmosphere of Weimar Germany.
The perceived threats to their employment security, high salaries and prospects of advancement led many of Germany's senior business managemers to a political viewpoint which blamed the Versailles Treaty, reparations and the Weimar system itself for their plight and for the dire conditions prevailing in the Fatherland. Their growing antipathy towards the Republic developed in large part out of their anti-socialism and a total rejection of economic democracy (in the form of trade unions and works' councils), and eventually reverted to a hostility towards political democracy which they saw as being responsible for the creation and endurance of the flawed Weimar system. Democracy and socialism were regarded as iniquitous egalitarian levellers of society which threatened not only management's differential reward system and its right to manage without lower-level interference, but also threatened Germany's national status and power and prevented her from once more resuming her rightful position as one of Europe's great powers. A potent blend of self-interest and nationalism coloured the politics of Germany's business-management sector, and seems likely to have inclined many of its members towards the anti-Weimar, pro-business DVP during the 1920s.  

However, the DVP was deficient in two very important respects. Firstly, it lacked popular support. Of all Weimar Germany's major political parties, it was the DVP whose support was least spread down through the social classes. It found little sympathy among the working classes because of its pro-business nature, and little among the peasantry because of its perceived urban bias. Unlike the DNVP, which could attract support even among the poorest quarters of Berlin's working-class districts, such as Kreuzberg and Wedding, because of its specifically Prussian and Protestant dimension, the DVP was too class-specific a party ever to be able to attract mass support. From an all-time high of 10% of the Reichstag vote in 1924, it was downhill all the way to 1932, especially after the death of its most effective luminary and leader, Gustav Stresemann, in 1929. Secondly, while supportive of business, the DVP inclined somewhat more towards the interests of the owners rather than towards the concerns of their salaried managers.
On both these accounts the NSDAP offered better prospects of effective political influence, at least from September 1930 when its popular support mushroomed in the Reichstag elections. Whether individuals or parties approved of democracy or not, that was the framework within which political power had to be sought in Weimar Germany, especially after the failure of all the coups and putsches up to 1923. In this respect we are talking about support for the NSDAP as an example of Realpolitik or tactical choice, and many former DVP voters may have gone over to the Nazis between 1930 and 1932 for that reason or because of the bandwagon effect of their seemingly unstoppable momentum.\textsuperscript{[106]} Equally, the fact that neither the DVP nor the DNVP ever formally repudiated their 1918 declarations of support for parliamentary democracy,\textsuperscript{[107]} whereas the NSDAP was totally unequivocal about its views of the constitution (indeed had attempted to overthrow the Weimar system by force in 1923), may have persuaded those who actively opposed democracy and felt an increasingly urgent need to sweep away the Republic's existing political structure to vote for the Nazi Party.

However, there may also have been a deeper and perhaps more ideological element in the reasoning of Germany's salaried managers. The NSDAP may have actually appeared more attractive and more attuned to their world-view because of a perception that it was more committed to the idea of 'democracy of personnel selection', or the opening up of possibilities for capable non-elite-class members (or the 'little man') to rise to the top.\textsuperscript{[108]} In other words, the Nazis were projecting a more effective image of promoting meritocracy. The NSDAP continuously levelled accusations against the conservatives and liberals claiming that they opposed an open elite. While this was actually false, even among conservatives after 1918, these accusations tended to stick. This may well have been helped by the fact that few leading Nazis, or indeed few of the Party at any level, were drawn from the old political elites.\textsuperscript{[109]} And right at the apex of the NSDAP was a living example of a man who had made it all the way to the top through his own abilities and force of personality - Adolf Hitler himself, born into a distinctly lower-middle-class family\textsuperscript{[110]}. 84
Within the Nazi ideological armoury were two elements which particularly appealed to Germany's upper middle class as a whole. These were the *Volksgemeinschaft* and the *Führerprinzip*. *Volksgemeinschaft* propaganda may have talked about a classless society, but the Nazis never intended that there should be a levelling social revolution, although they may have allowed such an interpretation to go uncorrected where it attracted the support of working-class or peasant adherents who swarmed into the anti-bourgeois SA. National Socialism always advocated a revolution of consciousness over a revolution of social structure - an acceptance of the social and economic status quo, but with an altered political machinery, different political goals and an accompanying ideological crusade.\[1\] However, the *Volksgemeinschaft* doctrine did advocate two major alterations to the social fabric. The first was racial exclusivity. The second was the prospect of greater social mobility along with the promise of creating open elites which offered reward for talent and effort\[2\] - the *Volksgemeinschaft* was also to be a *Leistungsgemeinschaft* (community of achievement).\[3\] This latter notion was actually a very modern one, essentially a form of meritocracy, which appealed to those who stood to benefit from such a quintessentially liberal capitalist concept - the upper middle classes in general, and the business and commercial upper middle classes in particular.\[4\]

The second element was the *Führerprinzip*, or leadership principle, which strengthened the notions of leadership and management and elevated them on to a plane of enhanced moral virtue. Advocated by Hitler in *Mein Kampf* and adopted as the organising principle of the NSDAP,\[5\] it declared that leadership was what created order, efficiency and power in both the political and economic realms, and at both local/branch and national levels. Leaders should emerge through their achievements and ability; and, by demonstrating effectiveness, they thereby also demonstrated superiority.\[6\] Thus those below them should not interfere with their functions lest they impede the effectiveness of that leadership. In such a belief system, democracy was a recipe for the rule of the mediocre. That those below leadership level should have little or no power to hinder the decision-making process, implied
that there should be a system of hierarchical or differential rights throughout society and economy.\footnote{117}

What we are really witnessing in the ideology of the Führerprinzip is a doctrine of power. Akin to the philosophy of Divine Right, it replaced heavenly sanction with the utilitarian sanction of Leistung. Leadership was to be guaranteed by effectiveness; but effectiveness itself was to be defined by the holders of that leadership. Thus what was in the nation’s interest was to be decided, not by the nation, but by those who could attain and hold on to power. Since democracy in the late 1920s and early 1930s was not delivering what large sections of the upper middle classes held to be in their own and Germany’s interests, then an ideology which declared that those who led or managed should wield more authoritarian power was obviously an attractive proposition to them. It could even be construed as selfless, because such a philosophy claimed to be concerned with the nation’s best interests or the greater good, and because enhanced power demanded greater effort and increased responsibilities. In addition of course, by the early 1930s, the Nazi Party had a huge reservoir of popular support down through all the classes, which suggested that the task of eliciting all that obedience, which would be required for such a utopian management-friendly society, could be achieved much more readily by the NSDAP than by any of the ineffectual and poorly supported bourgeois parties.

The implicit and, indeed, often explicit Nazi advocacy of differential rights may in fact be the crucial distinction between the ideology of the DVP and the NSDAP, between liberalism in every one of its forms (even including economic liberalism) and National Socialism. Differential rights had been one of the most important targets of liberal hostility from the time of the French Revolution and perhaps even earlier. They were a characteristic of feudal and ancien-régime societies which the liberal bourgeoisie had apparently opposed absolutely. However, on closer inspection, one can only say with any degree of certainty that liberalism has consistently advocated equal legal rights; it has rarely, if ever, advocated economic democracy, and its alignment with political democracy is only a later, mostly 20th-century, bolted-on
addition creating the very different variant of liberal democracy. That particular
development was a delicate bloom in much of Europe till 1945 or even later, and in
many places its first flushes died fairly quickly - e.g. in Italy, Spain, Portugal, Poland,
Hungary, Austria and, of course, Germany in 1933.

It is important not to regard the history of German liberalism as simply one of
decline, weakness or pusillanimity arising from deviation from a ‘proper’ or normative
development, of the British, French or United States’ type. Equally, because the
nature of society is always changing, and with it values and aspirations, German
liberalism cannot be properly understood if one interprets every change as deviation
from its original goals at the beginning of the 19th century, or if one judges it
against most present-day liberal beliefs and values. What liberalism meant to Germans
changed with every new epoch. To see it is as a chronicle of failure is tantamount
to accepting the theory of the ‘missing bourgeois revolution’. While German
liberalism’s democratic and egalitarian component was a weak shoot of the whole
movement (at least after 1848), its right-wing elitist shoot, placing an emphasis upon
possessive individualism and aggressive nationalism, became the main stem. This
might lay it open to moral criticism or unfavourable comparison with other western
models of liberalism, but this is not the same as calling it a failure. In its own terms it
succeeded by contributing to the creation of a society which, in large measure,
fulfilled its criteria of what a liberal nation-state should be.

There were many different sorts of liberalisms across Europe (and North
America), espousing varying shades of rights’ theories and constitutional ideals,
placing different emphases upon representative government and the franchise,
attracting assorted social classes, and being adopted as a means towards a whole
range of other goals, such as national unification, anti-feudalism, anti-clericalism,
commercial freedoms and free trade. While German liberalism was, by and large, a
bourgeois phenomenon in the 19th century, in Britain it had much more of a
cross-class appeal because it attracted religious dissenters of all classes, because it
appealed to the peripheries, provincial towns and the ‘Celtic fringe’ as a
counterweight to the dominance of London and the south-east, and because it had a powerful wing of aristocratic Whigs in the ranks of its leadership. In Russia, by contrast, 19th-century liberalism was the credo of a very small group, centred almost wholly upon members of the educated nobility and the bureaucracy, yet so disparate in outlook that the only certain factors which united its adherents were opposition to the government and a rejection of state authority.

It is also the case that there were many different variants of liberalism within Germany, both in place and time. Liberals in the countryside had different priorities from their urban cousins. Liberals in the north-east were less critical of the post-1870 Hohenzollern monarchy than those in Baden who resented the pro-Prussian bias of the Reich constitution. Liberals in the Rhineland were far more vexed by political Catholicism than were those in overwhelmingly Protestant Schleswig-Holstein or Mecklenberg. Liberals in Bremen and Hamburg saw Free Trade as a much more central political goal than did those in Augsburg.

Despite these regional differences, it is possible to survey the history of German liberalism by concentrating upon its most predominant and most widely shared beliefs and values. This allows an analysis of how liberalism changed over time, and how the more intolerant and anti-democratic latency within liberalism as a whole emerged so strongly in Germany. It should not be forgotten, however, that Germany was not alone in producing 'illiberal' liberals. Herbert Spencer's zealous promotion in Britain of the doctrine of Social Darwinism led him to declare that the sufferings of the incapable, the weak and the imprudent were deserved and were the inevitable price of progress for the species; not all suffering ought to be prevented since some of it was 'curative'.

The roots of German liberalism lay in the Enlightenment, whose forward-looking optimism underlay a basic defining characteristic of liberalism in general - a belief in progress. Whether that faith was sustained into the 20th century is explored below. The Enlightenment also inspired that most basic component of liberal ontology, the
individual, and hence the primacy of the individual over the group. Some historians have argued that this belief faltered and faded in the two or three decades before 1914 as liberals adopted the ideology of the imperial regime.\textsuperscript{[136]} It is true that the growingly strident nationalism of all but the most left wing of liberals obliged them to place the nation before the rights of the individual, seeing this as a necessary bastion against rival imperialist nations. Indeed, some believed that the nation was a source of autonomous values, a political end in itself and a source of cohesion and unification for German society. However, this did not amount to a renouncing of earlier liberal values, since a basic belief of liberals from the early 19th century onwards was that without the nation, or nation-state, there could be no citizen. This was one of the rationales behind liberalism's solid support for the idea of German unification. Another was the belief that the liberty of the German people at home was inextricably bound to the freedom of the German \textit{Volk} to exist as a nation. 'The struggles for nationhood and for political reform seemed [to liberals] to be against the same enemies and for the same goals.'\textsuperscript{[127]}

As 'enlightened' men, liberals saw themselves as the true representatives of the \textit{Volk}, a notion not far removed from Rousseau's idea of the General Will, with the same implication that not everyone was aware of what that will was, and that majoritarian democratic decision-making was not necessarily, nor even customarily, the correct way to elucidate it. This reluctance to embrace a full political franchise also arose out of liberalism's conception of 'civil' society, and for the much of the 19th century, German liberalism, which was very largely a bourgeois movement, was a political expression of a particular idea of the citizen. In the first half of the century, this was marked by opposition to absolutism, aristocracy, corporatism, guild privileges, mercantilism and religious discrimination, while seeking equality before the law, constitutionalism and, theoretically, political equality. Although these were very radical aspirations at the time, the movement mostly eschewed revolutionary means to achieve them, relying instead on education and the passage of time, with, of course, the notable and aberrational exception of the abortive events of 1848.\textsuperscript{[128]} Thus, while liberals demanded immediate legal equality, they were prepared to allow other
inequalities to persist. Their concept of the citizen was not only an exclusively male one in the early 19th century, but, in order to acquire the political rights accruing to a \textit{Burger}, liberal thinking effectively demanded that a man also be a bourgeois, that is to say he must either own property or be in possession of \textit{Bildung}, or education. The vote had to be earned; it was not to be construed as an automatic right. In most German states and cities, where liberal political strength and control remained in the ascendancy right through the Second Reich, the full franchise was not granted until 1918 when it could not be avoided.

Although these fundamental attitudes towards the nation and political democracy show a continuity stretching forward to at least 1918, there were some factors which distinguished most pre-1848 German liberals from the majority of those who came after. While the earlier liberals wished to transform the old corporatist and absolutist societies, they had no desire to replace them with what they saw emerging in Britain. They did not support \textit{laissez-faire} economics, nor did they like the idea of large-scale industrialised capitalism. Reflecting the socio-economic conditions of Germany in the first half of the 19th century, the liberal bourgeoisie, consisting largely of professionals and members of the administrative or judicial bureaucracy, advocated and envisaged a society of small, \textit{Mittelstand} businesses where government regulation would prevent large-scale capital accumulation and avoid the extremes of riches and poverty. This would in time give rise not to a bourgeois society of class distinctions, but rather to a 'classless' bourgeois society where as many men as possible could be independent and self-supporting. Confirmed in their suspicion of political democracy and their distrust of the lower orders by the revolutionary events of 1848, they could not, however, sustain their vision of, and belief in, a society of small-scale producers or of those businesses uniting in co-operatives to defend their independence against overmighty capitalist concerns. The concept of the classless bourgeois society was developed in a pre-industrial age and it quickly became redundant as the irresistible forces of industrialisation and consequent socio-economic change swept across Germany in the middle of the century.
With the emergence of an industrialised society, the social structures of Germany altered, creating an expanded working class and a larger bourgeoisie. This in turn changed the composition of the liberal movement. Whereas in 1848 the membership of the Frankfurt Parliament reflected the dominance of lawyers and other professionals in both the bourgeoisie itself and among liberals, in the years following, liberalism attracted many more men from within industry and commerce. At the same time, the already limited cross-class social base of liberalism eroded further, especially from 1870 and the founding of the united Reich, when models of class struggle influenced political thinking in Germany more than in most other European nations. Workers abandoned the liberal parties for the emerging SPD, not just because of the latter's class-struggle analysis of society, but also because the liberal movement itself was becoming increasingly bourgeois, class distinctive and accepting of inequalities as a permanent, unavoidable and even beneficial aspect of society.

The changing social composition of liberalism in a fast-evolving and modernising society led to transformations in its social visions. A significant strand of liberal thinking, observed above in the views of Heinrich von Treitschke, began to view poverty as the result of personal moral failure. In this way the individualism of liberalism not only endured, but was reinforced, connecting it not just to its earliest ideas of the paramountcy of individual decision-making, but to even older Christian, and predominantly Protestant, notions of individual responsibility. In 1905 Max Weber, that archetypal liberal, would assert that the rise of capitalism (and hence of the bourgeoisie) was wedded to the concept of the Protestant ethic, demonstrating that the pillar of individualism was still central to the intellectual and ideological underpinnings of liberal thinkers. Social reform remained on the agenda, but it was taking on more and more of a role of safeguarding privileged bourgeois society against lower-class resentment and socialist revolution, rather than being an integral part of progressive reform designed to produce greater equality and universal rights.

One of the most important changes, therefore, in the canon of German liberal thinking in the second half of the 19th century was the acceptance of, and adaptation
to, an industrialised and capitalist society by the 1870s. Almost as important were altered liberal attitudes towards the state. The emergence of a united Germany meant that central authority was now much more powerful than previously. Liberal hostility to the state dissipated greatly from 1848 with, firstly, the realisation that such an institution was essential as a barrier to social disorder emanating from the lower classes; secondly, that only the state could organise and enforce the body of laws (such as the Criminal Code and the Commercial Code published in the 1870s) necessary for running an increasingly complex commercial economy and society; and, thirdly, that the state had become the physical manifestation of the nation in an age of growingly strident nationalism and belief in the merits of imperialism, two causes with which most liberals strongly identified. The elitism which was always latent in Enlightenment-inspired liberalism grew more pronounced and dominant as the second half of the century progressed, now manifesting itself in a context of wholehearted and largely chauvinist nationalism, identification with a capitalist socio-economic system, an acceptance of class society, and support not only for the state as an abstract concept, but also as as a presently-existing political reality. In other words liberalism had largely become a right-wing and essentially politically-conservative phenomenon.

These were the major changes in liberal thinking in Germany over the course of the 19th century, but it has to be borne in mind that the different wings of the movement placed differing emphases upon the various component parts of liberalism and chose to support sometimes diametrically opposed policies for what were often the same end goals. For example, the left-wing Progressive Liberals opposed Bismarck's anti-socialist laws, while the right-wing National Liberals supported them. However, the same National Liberals backed his social welfare legislation, while the Progressives rejected it on the grounds that it legitimised conservative political control of Germany's authoritarian state. Both parties, nevertheless, were clear about the perceived need to take measures to prevent the SPD from achieving a monopoly of working-class support and a political effectiveness.
There was, in addition, a small but genuinely democratic and more egalitarian strand of liberalism which endured from the time of Johann Herder right through to the end of the Weimar Republic. This was to be found on the left wing of the Progressive Liberals during the Second Reich, championing an extended franchise (including equal voting rights for women), advocating greater social welfare provision, proposing equal rights for employers and employees, and developing the ideas of positive as opposed to negative freedoms. It was the dogged survival of this somewhat beleaguered minority faction which made it possible for Social Democrats and liberals to work together in 1918-19, creating the co-operation which was necessary for the Weimar Republic to be founded.\[140] This emergence to a position of prominence and influence of a form of social and democratic liberalism, which overlapped ideologically with revisionist Social Democracy, did not, however, last very long. As early as 1920 support for the party most closely associated with its beliefs, the DDP, was draining away, while the right-wing liberal party, the DVP, was already rejecting the democracy of the Republic.\[141] By 1930 the DDP had transmuted into the Staatstpartei (State Party) and it too was abandoning its attachment to parliamentary democracy as it formed an alliance with the right-wing, nationalist Jungdeutscher Orden (Order of Young Germans).\[142]

It has been argued by Dieter Langewiesche and Larry E. Jones that liberalism’s Enlightenment-inspired belief in the inevitability of progress broke down almost completely when Germany was defeated in the First World War. This was compounded by the fact that the Imperial regime also collapsed and that, although liberals were critical of many aspects of the Second Reich, they nevertheless regarded it as the highpoint of German history and as largely their own creation. Liberalism, it is further argued, became so discredited that the Weimar successor parties did not include the word ‘liberal’ in their names, while public disillusion was apparent in the nosediving electoral performances of these parties between 1920 and 1933. The final nail in the coffin of belief in inevitable progress, or even the merits of progress, was delivered by the Great Inflation of 1923 which deprived the traditionally liberal-voting
middle class of the material wherewithal to live a ‘bourgeois’ or ‘middle-class’ life.\[143]\]

It is certainly true that optimism was in short supply among many Germans in the first half-decade of the Weimar Republic, and then once more when economic depression began to set in from late 1928.\[144]\] Yet, surely, it was possible to continue to believe in the merits of ‘progress’ and at least some elements of modernity while still feeling negatively about present conditions. A ‘modern’ future was not necessarily or inevitably a terrible place; the prevailing trajectory of the Weimar Republic might have seemed to be leading towards threatening prospects in the eyes of many, largely upper-middle-class, liberal elitists in the 1920s and early 1930s, but it could simultaneously be believed that steering a different political and cultural course could actually usher in a better, yet still modern, age. Weimar Germany was marked by diversity, innovation and experimentation in a socio-cultural realm that was highly politicised. The ideological road to the Third Reich was not, as suggested by Fritz Stern’s *The Politics of Cultural Despair* or George Mosse’s *The Crisis of German Ideology*, a predetermined one paved solely by anti-modern ‘conservative revolutionaries’ such as Julius Langbehn, Paul de Lagarde, Arthur Moeller van den Bruck or Edgar Jung.\[145]\] Chapter 3 of this thesis looks at the culture and politics of business and management in the 1920s and considers how ‘modern’ and forward-looking this sector was. It will be argued that what attracted many people, particularly among the upper middle classes, and specifically among senior managers, to National Socialism were its forward-looking and modern aspects rather than its backward-looking manifestations. This suggests that a belief in progress, however much shaken by events, among a social group traditionally identified with liberal thinking - the upper middle classes - was not absent in the Weimar era, even in times of crisis.\[146]\]

It is uncontestable that support for the liberal parties nearly vanished over the course of the Republic.\[147]\] That does not, however, necessarily mean that liberalism itself simply disappeared because difficult conditions made people less optimistic or
because fewer people voted for liberal parties (which, it was noted, were not actually called ‘liberal’). It has been argued earlier in this thesis, along the lines outlined by Blackbourn and Eley, that liberalism in the later 19th century was more apparent as both philosophy and action in the wider German social structures than as merely a reflection of the fortunes of the Second Reich Liberal parties. It has also been suggested that over time liberalism underwent changes which made each new era’s belief system somewhat different from that which went before. Similarly, liberalism in the Weimar Republic did not just live on in the DDP and the DVP, but was developed and altered, in the context of the conditions of the 1920s, within the various social and socio-economic milieux of the times - in organisations such as VELA, in the professional associations and in the large network of upper-middle-class Vereine, all of which are looked at in closer detail in chapters 6-9 of this thesis.

The particular tendency of liberalism which this thesis pursues is that of liberal elitism, where notions of leadership, achievement, inegalitarianism and the differential spiritual worth of individuals were among the guiding concepts. This in turn led many adherents of this way of thinking down the political path to National Socialism. Thus the argument emerges that there was no real intermediate ideological stage between liberalism (or, at the very least, liberal elitism) and Nazism (the political stepping stones of the splinter parties notwithstanding), and that neither was the antithesis of the other. This particular intellectual development within German liberalism was one of the feeder streams of National Socialist thinking, although it has to be recognised that the two ideologies were not synonymous, since Nazism also drew upon other derivative sources such as racism, anti-Semitism, Social Darwinism, the völksch tradition and radical conservatism.

This is the point at which this thesis diverges from the interpretation of Walter Struve. He saw the development of liberal elitism within Germany coming to an end in the early 1920s, probably around 1922 with the death of Walther Rathenau, one of the four liberal elitists he explored in depth. He argued that, ‘[h]owever well suited to counterrevolutionary imperialist needs, the concept of an open-yet-authoritarian elite
could not be pursued further within the framework of liberalism. After World War I
the concept of an open-yet-authoritarian elite was articulated mainly on the Right'.[148]

He then went on to discuss the contributions to later Weimar politico-social theories
of elitism of men such as Oswald Spengler, Edgar Jung, Hans Zehrer and Ernst
Jünge, coralling them off in a section entitled ‘Conservatives in Search of Elites’. This
makes it seem that ‘right-wing’ is to be associated with ‘conservative’, yet it is
plain that, with a small exception on the left wing of the pre-war Progressive Liberals
and of the postwar DDP, German liberalism had long been a right-wing political
doctrine. How could it be regarded as anything else when almost all of the liberal
elitists whom Struve examined and mentioned in his account were either Progressives
or members of the DDP, or at the very least closely associated with those parties? In
the 1920s the liberal DVP stood to the right of the DDP; indeed, Edgar Jung was a
member of the former party in the 1920s, standing as a candidate on its slate in both
1924 Reichstag elections.[149] To say that liberal elite-theory development abruptly
ended in the 1920s and somehow became solely a conservative ideological issue is too
schematic, not to mention unlikely. To say that it became a ‘right-wing’ politico-social
theory is confusing and redundant - elitism is inherently right wing; indeed, it is almost
a definition of the essence of the very term ‘right wing’.

Struve’s justification for his conceptualisation of the earlier elite theorists as
liferals, and the later as conservatives (whom he interchangeably refers to as ‘the
Right’), rested upon two perceived differences. Firstly, he saw liberal elitists as less
concerned with the need for one great leader at the pinnacle of their chosen elite,
while conservative elitists inclined more towards the *deus ex machina* (an ideological
position which displays obvious affinities with Nazi exaltation of the Führer).
Although he admitted that both movements were somewhat ‘muddled’ about the role
of great men, the fact is that one of his principal liberal elitists, Max Weber, developed
the theory of charismatic leadership and presented it in a largely approving light. This
suggests that, rather than it being an issue which differentiated liberal elitists from
conservative elitists, there was an ongoing debate among elite theorists in general
about the merits of having one supreme leader - whether as a true wielder of power

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and possessor of superior moral and intellectual qualities, or as a figurehead whose massive presence would obscure the reality of a wider ruling elite.\textsuperscript{150}

Secondly, he saw liberal elitism pitching its appeal to free professionals, salaried employees and small manufacturers in consumer-oriented industries and the upper levels of the working class, while ‘the elitists of the postwar Right, although seeking to attract part of the working class, anticipated mass support primarily from the middle class, including the old middle class’.\textsuperscript{151} Significantly, the former constituency, minus the working-class element, comprises the very social groupings whom I have identified and defined as the upper middle classes in Weimar Germany and whose ideological beliefs (at least among the salaried employees and professionals) are analysed in this thesis. It is grist to the mill to have liberal elitism so closely associated with my target group, even though Struve mysteriously cut off any further development in its thinking and influence in the early 1920s. My contention is that liberal elitism lived on in this very socio-economic milieu, changing and becoming ever more undemocratic and self-importantly authoritarian as it absorbed other influences (including the thinking of conservative elitists and \textit{völkisch} writers whose works were regularly and favourably reviewed in \textit{Der leitende Angestellte}, as demonstrated in chapters 7-9 of this work). Struve’s analysis of the subsequent development of elitist theory suggested that this conservative version, with its ‘mining of a vein of elitist ideas that went back several decades’ and its subscribing to the ‘idealisation of preindustrial institutions’, gave it a role as a more immediate source of National Socialist elitism.\textsuperscript{152} This demonstrates that he still attached credence to the idea that Nazism’s belief system was disproportionately influenced by the lower middle class and its values. This view is often associated with the theory of the ‘missing bourgeois revolution’, a historiographical concept which Struve also accepted and used to structure his interpretation.\textsuperscript{153}

Despite his clear exposition of the major influence of bourgeois liberal thinking in setting the ideological and intellectual framework of Germany until the early years of the Weimar Republic, Struve chose to terminate that influence in the early 1920s. To
do otherwise might have suggested that the bourgeoisie and its associated liberal ideas were stronger and more influential than the overarching theory of the missing bourgeois revolution would allow, and that it was modern influences as much as, or more than, feudal and conservative forces which allowed the NSDAP to come to power. Struve pushed hard at the door of liberal involvement in the genesis of National Socialist ideology; at one point he said that ‘liberal political thought was far along the road to scrapping nineteenth-century liberalism before the Nazi party was founded in 1919’. However, in the prevailing historiographical Zeitgeist of 1973, with the widespread currency of the missing-bourgeois-revolution theory influencing interpretational models, he felt it necessary to stop short and allow feudal-remnant theories to interpose something (beyond racism and anti-Semitism) between liberalism and National Socialism. That factor proved to be a variety of conservative thought, albeit linked backward in time to the common ancestor of cultural elitism, and something amorphous called ‘the Right’.

At another point Struve said that ‘the Nazi Party was composed largely of men from social strata that had once supported liberalism, and the party’s electoral gains before 1933 occurred partly at the expense of the liberal parties’. However, he immediately went on to qualify this by noting that, although many of the upper strata of the middle classes may have gone over to National Socialism from 1930, the lower middle classes disproportionately filled the ranks of the NSDAP and ‘predominated in the early Nazi Party’. A footnote to this passage declared that ‘a good discussion’ on the social composition of members and supporters of the Party was to be found in Michael Kater’s ‘Zur Soziographie der frühen NSDAP’, the forerunner to, and basis of, Kater’s later work, The Nazi Party, which was critiqued in chapter 1. Just as Kater drew a strangely contrary overall conclusion about upper-middle-class influence within the NSDAP from his excellent research, so Struve demonstrated clearly liberalism’s contribution to Nazi thinking, and then shied away from allowing it a direct or immediate link to National Socialist ideology in his wider interpretation.
Strictly speaking, Nazism espoused a concept of ‘positive Christianity’ as stated in Article 24 of the 25-Point programme of 1920 (Jeremy Noakes & Geoffrey Pridham (eds.), Nazism 1919-1945, Vol.1, The Rise to Power 1919-1934, Exeter, 1983, p.16), and as put into practice by the Deutsche Christen (German Christians), a pseudo-Christian organisation of NSDAP members and sympathisers emerging from within the German Protestant churches during the 1930s. The Deutsche-Christen belief system denied that Jesus was a Jew, rejected the entire Old Testament as Jewish lies and disavowed all that part of the New Testament written by the ‘Rabbi Paul’ (Karl Dietrich Bracher, The German Dictatorship, London, 1971, pp.231 & 469-483). In ideological terms, the essence of Nazism’s anti-Christianity was its rejection of the teaching of compassion for the weak which contradicted Social-Darwinist principles. Neither could it tolerate the idea that all humankind, meaning all races, were equal in God’s eyes. A graphic example of Heinrich Himmler’s enmity towards Christianity is to be found in Bernd Wegner, The Waffen-SS: Organisation, Ideology and Function, Oxford, 1990, p.26.


O.3 The idea that National Socialism could constitute a consistent and coherent ideology was long resisted and rejected by historians and commentators. An early and very influential example of this was Hermann Rauschning’s Die Revolution des Nihilismus, 1938. One of the first works to challenge the idea that Hitler and the Nazis were mere gangsters, power-seekers or nihilists was Eberhard Jäckel, Hitler’s Weltanschauung, Tübingen, 1969.

Four out of the five kernel components of Nazi ideology given here (excluding the Führerprinzip) are discussed as central to National Socialism in the chapter entitled
Barbarous Utopias: Racial Ideologies in Germany’ in Burleigh & Wippermann, The Racial State, pp.23-43. Understandably, the authors also choose to highlight anti-Semitism as a core component. This is perfectly justifiable in the light of the movement’s pathological hatred of Jews and the extremity of the measures taken against them. While this thesis sees this vile bigotry as subsumed within its categories of struggle and survival of the fittest among races, the Volksgemeinschaft and racial purity (nos.1, 3 & 4), I would not argue with any demand that a sixth category, anti-Semitic eliminationism, should also be incorporated into a definition of National Socialist ideology.


[16] The struggle which defined the pecking order of the Third Reich leadership was not just a generalised reference to life itself, but also to the Kampfzeit, or time of struggle. This corresponded to the years 1920 to 1933 and the rise of the Nazis. It is interesting to note that subsequent to 1933 the Reich top leadership actually showed very little change of personnel. No one except Albert Speer, Reinhard Heydrich, Viktor Lutze and Artur Axmann entered its portals to become members of the top three dozen in the Reichsleitung.


[22] Quoted in James J. Sheehan, German Liberalism in the Nineteenth Century, Chicago, 1978, pp.154-155


[28] There are so many biographies and analyses within larger works of these seven individuals, aside from Hitler, that a listing of them would be inordinately lengthy. Two works which devote a single chapter to each of these men, and which broadly support the division into ‘true believers’ and ‘technocrats of power’ are Joachim C. Fest, Geschichte des dritten Reiches. Profile einer totalitären Herrschaft, Munich, 1963; Alfred D. Low, The Men around Hitler. The Nazi Elite and its Collaborators, New York, 1996.


[31] Franz F. Wurm, Wirtschaft und Gesellschaft in Deutschland 1848-1948, Opladen,


[39] Hartmut Kaelble & Hasso Spode, ‘Sozialstruktur und Lebensweisen deutscher Unternehmer, 1907-1927’ in Scripta Mercaturae, 24, Heft 1/2, 1990, pp.150-167; Kocka, Entrepreneurs and Managers’, pp.549-555 & 574-584. See also Der leitende Angestellte, Heft 14, 1920, p.133 for VELA’s description and analysis of these processes of specialisation and expansion in business and industry, the growth of a layer of indispensable senior managers, and the historical decline of the family or owner-manager firm; the article in question, including the sections which are germane to this footnote, is quoted at length in chapter 5 of this thesis.

[40] On the temporary concessions made by both the DNVP and the DVP to democracy in December 1918 whereby they declared their allegiance to a democratic parliamentary system and equality of rights for all German citizens, see: Sigmund Neumann, Die deutsche Parteien: Wesen und Wandel nach dem Kriege, Berlin, 1932, pp.61-62; Werner Liebe, Die Deutschnationalen Volkspartei 1918-1924, Düsseldorf, 1956, pp.18-24; Wolfgang Hartenstein, Die Anfänge der Deutschen Volkspartei 1918-1920, Düsseldorf, 1962; Hertzmann, DNVP, pp.32-60.


[42] Struve, Elites against Democracy, passim, but see pp.3-20 where Struve’s introductory chapter summarises most of the references to his material in this and the following paragraphs.


[44] A fuller quotation of this passage of Preuss’s writing supports the claim made in the previous paragraph that this kind of elitist thinking was advocating a ‘revolving of elites’ and a ‘democracy of personnel selection’; it also demonstrates an affinity with Nietzsche’s scornful view of the unreflective mass of humankind:

> Always and everywhere the few command, and the many obey.
> The situation cannot be otherwise as long as man is a herd animal, the multitude of which needs leadership in order to assert itself in any way whatsoever. All political struggles turn only upon the question of who those few are to be.


[50] Stöcker’s Christlich-soziale Bewegung had many ideological similarities with the Austrian Christlich-soziale Partei of Karl Lueger, a politician who appears to have had a major influence upon the young Adolf Hitler; Bracher, *German Dictatorship*, pp.62 & 73; Kershaw, *Hitler*, pp.34-35 & 65.


[52] In the 1890s, talking about his ‘joyful faith in Tirpitz’, Naumann said, “It’s as if I can hear Jesus speaking... Go forth, build the ships, and pray that you will not need them.” Heuss, *Friedrich Naumann*, p.138.


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Bosch and Abbé were both progressive employers, visionaries with a social conscience who operated businesses which made greater social provision for their workers than most others did. A cross between Robert Owen and John Lewis, Ernst Abbé gave up sole ownership of the Zeiss Works in 1891 when he transformed the business into a Stiftung, or foundation, working for the last 14 years of his life as an employed official at a salary fixed by the terms of the endowment statutes. Even the most highly paid employees of the Zeiss Works, its directors, could not receive a salary higher than ten times the average wage of the company’s workers. Nor could these directors receive any of the profits of the firm in the shape of dividends or stocks since the company had no shareholders. All trading profits were either ploughed back into the firm, or paid out to the entire workforce at the end of each year as a percentage of their earnings, or gifted to the city and university of Jena for the wider public benefit. In 1900, eighteen years before it became law in Germany, the Zeiss Works adopted the eight-hour day, it paid its workers for public holidays, granted three weeks’ holiday annually and provided high quality company housing to its workforce. It also paid out high pension to retired workers, while so generous was its payment to workers whom it made redundant, that it was granted exemption from the Weimar nation-wide system of unemployment insurance.

When Herbert R. Knickerbocker visited Germany in 1932 in the depth of the Depression, he painted an almost uniform picture of bleakness, despair and gloom - except for his description of Jena, the Zeiss Works and its employees. Here he found a vibrant community, a still-prosperous workforce, a clean and friendly workplace, and a company which had laid off only 15% of its workforce when most of German industry had shed 40-60%. Knickerbocker was perplexed to find that more than 25% of the company’s workforce voted KPD and that it had consistently elected a majority of Communists on to its Works Council. He would not believe that it had anything to do with idealism, yet he was content enough to consider that Abbé and the management which followed him were idealists (Herbert R. Knickerbocker, Germany - Fascist or Soviet?, London, 1932, pp.60-73). It is argued elsewhere in this thesis that many people who supported, voted for or joined the NSDAP may have done so for reasons of misguided idealism. The Zeiss Works, with its welfare and social programmes, its concern for the larger local community and its very structure of employee organisation, was a form of idealism in practice, yet its well protected and well treated workforce gave substantial support to the KPD, while many of its senior managers were members of VELA, whose right-wing politics of the Weimar years would eventually transmute into support for the NSDAP.

[55] Heuss, Friedrich Naumann, p.195. Bosch and Abbé were both progressive employers, visionaries with a social conscience who operated businesses which made greater social provision for their workers than most others did. A cross between Robert Owen and John Lewis, Ernst Abbé gave up sole ownership of the Zeiss Works in 1891 when he transformed the business into a Stiftung, or foundation, working for the last 14 years of his life as an employed official at a salary fixed by the terms of the endowment statutes. Even the most highly paid employees of the Zeiss Works, its directors, could not receive a salary higher than ten times the average wage of the company’s workers. Nor could these directors receive any of the profits of the firm in the shape of dividends or stocks since the company had no shareholders. All trading profits were either ploughed back into the firm, or paid out to the entire workforce at the end of each year as a percentage of their earnings, or gifted to the city and university of Jena for the wider public benefit. In 1900, eighteen years before it became law in Germany, the Zeiss Works adopted the eight-hour day, it paid its workers for public holidays, granted three weeks’ holiday annually and provided high quality company housing to its workforce. It also paid out high pension to retired workers, while so generous was its payment to workers whom it made redundant, that it was granted exemption from the Weimar nation-wide system of unemployment insurance.

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[77] Struve, Elites against Democracy, p.141-147.


[88] Struve, Elites against Democracy, pp.104-106 & 114-115. See also William O.


[90] Bracher, German Dictatorship, pp.103-104.


[99] For a description of this process as occurring across large parts of Europe in 1848 and the years following, see Hobsbawm, The Age of Capital, pp.29-30 & 33-35.

[100] Struve, Elites against Democracy, pp.31-38. See also, Leonard Krieger, The German Idea of Freedom. History of a Political Tradition, Chicago, 1957, espec. pp.141, 146-147, 217-229, 252-261 & 288. Krieger argues that this elevation of the state bureaucracy to a position of inherent virtue began much earlier in the 19th century and went hand-in-hand with the growth of the power of the state, a process which he sees as being accelerated from 1806 following the crushing defeat of Prussia by Napoleon. The ensuing practical and political reformers, such as Karl vom Stein, Karl August von Hardenberg and Gerhard von Scharnhorst, had their intellectual counterparts in Adam Mueller, Karl Theodor Welcker and Robert von Mohl, who began the formulation of the doctrine of the Rechtsstaat, or the state defined by law. Krieger sees this theory as attempting to ‘rationalise the combination of individualism in state purpose with traditionalism in state structure’ (ibid, p.252), and from about 1830 it was adopted by progressives and liberals as an oppositionist creed. However, after 1848, and even more so after 1870, although it was still associated with liberalism, the doctrine of the Rechtsstaat came to embody ‘the attitude of the compliant bourgeoisie towards the Second Empire’ (ibid, p.356). Political freedom was not to be seen as a natural right, but was a privilege reserved to the state to be given to those who served its interests, a criterion which the state itself had the right to define. The state was now set above society, possessing its own sovereignty which did not flow from the people as a whole; in the words of Rudolf Gneist, a liberal party leader in the 1860s and 1870s, “Society can find the personal freedom, the moral and spiritual development of the individual, only in permanent subordination to a constant higher power” (Rudolf Gneist, Der Rechtsstaat, Berlin, 1872, p.12). Much of this by-now illiberal and frankly conservative doctrine arose as a result of a rejection and fear of class struggle, leading to a desire to see the state constitutionally and legally constituted such that it was structurally and institutionally opposed to egalitarian and socialist (and, indeed, fully democratic) aspirations. Central to this project was the loyalty and political reliability of the state bureaucracy, which was feted as the backbone of the German state and German culture.


See chapters 4-8 of this thesis.


Larry E. Jones has also shown that a great deal of the once-powerful white-collar support for the DVP was lost in the later 1920s and early 1930s as a result of an enduring acrimonious split between the DHV (Deutschnationaler Handlungsgehilfen-Verband or German National Union of Commercial Employees), the largest white-collar union in Germany with a membership of c400,000 in 1929, and the powerful business-owner representation in the party. This he also characterises as a left/right split respectively, despite the fact that he also says that the great bulk of these DHV defectors went over to the NSDAP, which is conventionally accepted as having been further to the right than the DVP. When Gustav Stresemann, the DVP leader, died in 1929, the DHV lost its most powerful supporter and the internal struggle for power swung decisively towards the owners of business. Of significance too is Jones’ portrayal of a similar alienating and squeezing out of white-collar representation and DHV influence in the DNVP beginning in 1928 with the election of Alfred Hugenberg to party chairman. Larry E. Jones, ‘The Crisis of White-Collar Interests: Deutschnationaler Handlungsgehilfen-Verband and Deutsche Volkspartei in the World Economic Crisis’ in Mommsen et al (eds.), Industrielles System, pp.811-823. This defection of white-collar workers, as represented by the DHV, may at first glance appear to lend unequivocal support to this thesis’ claim that senior salaried business managers deserted the bourgeois parties for the NSDAP, but it is complicated by the fact that, throughout the Weimar years, VELA was at loggerheads with all the white-collar unions representing non-executive or lower-level employees. This does not negate the proposition that senior managers also regarded business-owner dominance of the DVP as inimical to their interests, but the gulf between senior managers’ organisations and the rest of the white-collar workforce is an important one which is studied in detail in chapter 4.

Struve, Elites against Democracy, pp.219-220.


For many examples of NSDAP members citing these perceptions of the Party as among their reasons for becoming supporters, see Theodore Abel, Why Hitler Came into Power: An Answer Based on the Original Life Stories of Six Hundred of his Followers, New York, 1938; reissued as The Nazi Movement: Why Hitler Came to Power, New York, 1966.

Kershaw, The Nazi Dictatorship, p.142.

Schoenbaum, Hitler’s Social Revolution, p.234.

For a description of what the Nazis meant by a Volksgemeinschaft and how central it was to their ideology, see Kershaw, Hitler, pp.136, 289-290, 316 & 532; Avraham Barkai, ‘The German Volksgemeinschaft from the Persecution of the Jews to the “Final Solution”’ in Michael Burleigh (ed.), Confronting the Nazi Past. New Debates on Modern German History, London, 1996, pp.84-97.

Kershaw, Hitler, pp.243 & 259-261.


For an illuminating example of the Führerprinzip in both theory and practice, see chapter 9 of this thesis where the adoption of a new constitution for VELA in the Gleichschaltung of the summer of 1933 is described.


This is a major theme and analytical approach in Dieter Langewiesche, Liberalismus im 19. Jahrhundert, Göttingen, 1988, and Liberalismus in Deutschland, Frankfurt, 1988: and Sheehan, German Liberalism in the Nineteenth Century.


Zum Verhältnis von Liberalismus und Imperialismus in Deutschland' in Holl & List (eds.), Liberalismus, pp.148-158; Langewiesche, Liberalismus in Deutschland, pp.251-253.

[127] Sheehan, German Liberalism, p.274.


[129] It was not just in the early part of the 19th century that liberals excluded women from their program of political emancipation. Despite some later-century voices, such as that of Friedrich Naumann, being raised in support of the female franchise, liberalism remained resolutely opposed until it could not be evaded in 1919. The issue raised some difficult questions for liberal theorists for whom the idea that all human beings have the same rights was a central claim. This paradox was resolved by recourse to another central theme of the Enlightenment, that fount of much liberal philosophical underpinning, namely the idea of a discoverable Natural Law. Claiming a spurious scientific rationality (which was in fact a prejudicial assumption retrospectively supported by selective and usually specious ‘empirical’ studies), Enlightenment thinkers posited the idea of humanity being divided into two spheres - the male sphere which was rational, active and public, and the female which was emotional, passive and private. This notion was taken up by 19th- and early 20th-century liberals who elaborated and rationalised their sexist beliefs further by utilising other classical liberal tools and tenets. In particular they turned to contract theory, declaring that marriage was a contract between two people where each party had certain rights. However, these rights were actually determined by the ‘law of nature’ and this particular ‘law’ was more basic than the legal framework of the state. Natural Law showed that a man should be at the head of the family because of his qualities of intellect, strength and character - and because he was the one who interacted with wider society. For both these reasons the male head of the household was legally and politically the only true citizen in that unit. Thus a patriarchal marriage and family was the social model advocated by liberals, a vision of society in the image of their own male-dominated bourgeois life. When the Bürgerliche Gesetzbuch (Civil Law Code) was adopted in 1900, almost all the liberal deputies in the Reichstag supported the awarding of decision-making in marriage to the man. Among the best accounts and analyses of the sexism inherent in the Enlightenment and in liberal and bourgeois thinking up to World War I are Ute Frevert, Frauen-Geschichte. Zwischen Bürgerlicher Verbesserung und Neuer Weiblichkeit, Frankfurt, 1986; Ute Frevert (ed.), Bürgerinnen und Bürger. Geschlechterverhältnisse im 19. Jahrhundert, Göttingen, 1988; Marilyn Boxer & Jean H. Quataert, Connecting Spheres: Women in the Western World 1500 to the Present Day, Oxford & New York, 1987.


[133] Langewiesche, Liberalismus in Deutschland, pp.65-127. On the promotion by liberals of co-operatives as a practical solution to the social question as well as an (outdated) economic model, see Sheehan, German Liberalism, pp.92-94; a more comprehensive


[138] On attitudes to the state bureaucracy and the concept of the *Rechtsstaat*, see note [96].


[141] Bracher, *German Dictatorship*, pp.103-104.

[142] Jones, 'Dissolution of the Bourgeois Party System', pp.279-280; Attila A. Chanady, 'The Dissolution of the German Democratic Party in 1930' in *American Historical Review*, lx. 1968, pp.1433-1453. In 1927 the *Jungdeutscher Orden* issued a manifesto in which it advocated a hierarchically constructed system of indirect elections where each leader would be elected by the individuals or leaders on the level immediately below him, and where his election would also have to be confirmed and approved by the leader immediately above him. This concept provides a neat stepping stone on the at-first-glance unfathomable route between support for political democracy and acceptance of *Führerprinzip* authoritarianism. On the *Jungdeutscher Orden*, see Klaus Hornung, *Der Jungdeutsche Orden*, Düsseldorf, 1958.


[144] Kershaw, *Hitler*, p.305. A classic exposition of this pessimistic outlook is Oswald Spengler’s *Der Untergang des Abendlande*, 2 vols, Munich 1918-22; translated into English by C.F. Atkinson as *The Decline of the West*, New York, 1926-28. For VELA’s view of this eschatological and millenarian work, see the last paragraph of chapter 7 of this thesis.


[146] This phenomenon is visible in the blend of dissatisfaction, bitterness and outrage, interlaced with a sometimes defensive, and sometimes arrogant, belief in their own abilities and in the latent potential of a management-friendly modern German economy, which is characteristic of the general tone of the pages of *Der leitende Angestellte*, the in-house journal of VELA, throughout the 1920s and early 1930s. It demonstrates a mixture of pessimism and optimism - dislike of the present but a belief that ‘real’ progress (ie VELA’s conception of what is progressive) is desirable and achievable, and that this progress is modern in nature, rooted in the commercial and industrial world of capitalism in which most senior managers worked.

[147] For a table of the percentage of votes received by each political party in Reichstag elections between 1919 and 1933, see Jürgen Falter, Thomas Lindenberger & Siegfried Schumann (eds.), *Wahlen und Abstimmungen in der Weimarer Republik. Materialien zum Wahlverhalten 1919-1933*, Munich, 1986, p.44.


[153] See, eg, Struvc, Elites against Democracy, p.461, where he states unequivocally that 'the absence of a successful bourgeois revolution permitted the lingering into the twentieth century of institutions and ideas associated with absolute monarchy'.
[154] Struvc, Elites against Democracy, p.420.
[155] Struvc, Elites against Democracy, p.419.
[156] Struvc, Elites against Democracy, p.419.
Chapter 3

Party-Political Analysis, Modernity and the Culture of Business in the Weimar Republic

One group which appears wholeheartedly to have embraced the idea of social mobility, the principle of Leistung and the doctrine of the Führerprinzip, was upper and upper middle management in the private sector, the research subject matter of this thesis. This senior-management level consisted of plant managers, division managers, department managers, company lawyers, salaried engineers, salaried quantity surveyors and other directly-employed professionals, production co-ordinators, sales chiefs, publicity heads, personnel directors, chief accountants, auditors, and many others. On the basis of largely accepted statistical data showing that between 1925 and 1933 there were approximately 3,500,000 white-collar workers in Germany, and using an estimate employed by one of the Weimar managerial associations which reckoned that 10% of these salaried employees fell into the category of leitende Angestellten, this produces a figure of 350,000 senior managers. That this is probably a fairly conservative estimate can be shown by the fact that, in 1933, the Reichsbund Deutscher Angestelltenberufsverbände (Reich Association of German Professional Salaried Employees' Federations) had 48,000 members, VELA had 31,000, and the Bund angestellten Akademiker technisch- und naturwissenschaftlicher Berufe (Association of Salaried Technical and Natural Science Academics) had approximately 10,000 members. These three organisations alone encompassed 89,000 executive employees, which amounted to 25% of the projected 350,000 total (and there were many others within more general white-collar unions and associations, non-affiliated local and regional groupings and, importantly, specialised professional organisations). For a group who, as a whole, were more than a little resistant to collective practices, this seems a very high proportion when
considered against the fact that only c33% of all manual workers were organised into trade unions during the same time frame.[9]

Founded in 1919, and although organised under trade-union legislation, VELA was in fact an emerging professional organisation which hoped to elevate the status of its members to that of Beruf-like doctors or lawyers, or perhaps more accurately like engineers and chemists who also worked in the world of industry and whose membership now overlapped with the managerial or senior-salaried-employee organisations. It had taken engineers, chemists and architects a long time to achieve the bourgeois respectability of more traditional non-industrial professions, but their example showed clearly that prejudice against those who held high positions in manufacturing, trade and commerce was slowly being overcome.[9] VELA was open only to salaried employees and not to the owners of enterprises or members of boards of directors. Both VELA and sociologists of the time went to great lengths to identify this layer of senior management and show it to be a distinct social group (or perhaps even a social class). Members of this group were referred to as employees with the power and responsibilities of employers. Their self-perceived status was further buttressed by the high salaries paid to them.[10]

The political sympathies of the VELA leadership and membership in the 1920s were solidly right-wing and nationalist, which probably helped to incline them towards the DVP, generally referred to as the party of business.[11] The DVP was essentially a free-market economically liberal party run by 'notables' in the fashion of the pre-war German liberal parties.[12] This was different from the DDP, the Deutsche Demokratische Partei or Democratic Party, a socially liberal party which, while embracing the principles of a capitalist economic system, espoused much more of a programme of social justice, welfare and democracy and sought (not very successfully) a wider mass electorate. The DDP was, along with the SPD, the most enthusiastic advocate of the Weimar system, its leading lights having written most of the constitution in 1919. Both liberal parties were very much of the 20th century and far more forward-looking and accepting of modern society than the conservative
DNVP. For this reason it is possible that, in the earliest days of the Weimar Republic, VELA members may also have voted for the DDP, but this party’s vote was already in free-fall as early as 1920. The Democratic Party very quickly came to be identified with the acceptance of the Versailles Treaty and the burden of reparations, two issues about which VELA had strong and hostile views. Many of the organisation’s members would also have supported the DNVP for its conservatism and right-wing politics, especially those for whom Protestantism and Prussianism were still part of their value system. Equally, some Catholics would have opted for the Centre Party, the Zentrum, or its south-German counterpart, the BVP, the Bayerische Volkspartei or Bavarian People’s Party.

In the crisis years of 1929 to 1933 party allegiances became much more fluid, nowhere more evidently than among supporters of the two liberal parties. In 1928 the DVP and the DDP between them attracted 13.5% of the total Reichstag vote; by March 1933 this figure had been reduced to 1.9%. An electoral support of 4,200,000 in 1928 plummeted to a mere 760,000 in only five years. Undoubtedly some of the 82% of supporters who deserted the liberal parties went over to the SPD (especially DDP voters), and some to the Centre Party. However, the SPD experienced a loss of nearly a third of its percentage of the total vote in this same period and the Centre Party barely held on to its 1928 share, so the numbers who moved in this direction were probably small. Some too may have now voted DNVP, but again this party’s vote declined by 40% over these five years. A number may have gone over to the welter of small and splinter parties, such as the Wirtschaftspartei (Economic Party) or the Konservative Volkspartei (Conservative People’s Party), who picked up 14% of the entire Reichstag vote in 1928 and held on to it in 1930. But these parties also failed to increase their percentage of the vote, and by July 1932 it had collapsed to 3%; by 1933 it was an insignificant 1%. Most of this splinter-party vote must surely have gone to the remaining non-communist party of the Weimar era - the NSDAP. So too must a very substantial portion of the liberal vote, including that proportion which may have used the small and splinter parties as a stepping stone to the Nazis. Whatever arithmetic or models are used to describe and differentiate the voter
movements of the years 1928-1933, the overwhelming mathematical probability points to very large numbers of previous liberal voters ending up casting their votes for the NSDAP. \[18\]

Since DVP voters were hardly likely to switch to the KPD, and almost as unlikely to vote SPD, and since VELA members were more inclined towards the business-oriented DVP, it does not seem too fanciful a thesis to suggest that, by 1932 or 1933, many VELA members had become Nazi voters. This is of course impossible to prove, but it is just one piece of informed induction whose probability of accuracy is higher than any other single scenario conjured up to explain the voting behaviour of liberal voters in general, DVP voters in particular, and VELA members in consequence.

How then could such an elitist and undemocratic movement, which saw the masses as basically incapable of self-government, attract the support of 37% of the electorate in July 1932 in an election which was undoubtedly untainted by corruption or coercion at the polling stations? Why did Germany go down an extreme right-wing path in apparent response to the crisis events of the 1920s and early 1930s? In Sweden and France, and arguably too in the United States, the response to the Depression was a political swing to the left. This brings us back to the issue of electoral support for the Nazi Party.

Research beginning in the 1980s has indicated that the electoral support for the Nazis was spread far more widely across class divisions than was previously asserted. It has been shown, for instance, that somewhere between 29% and 39% of the total Nazi vote in the crucial election of July 1932 came from working-class or blue-collar voters. \[19\] And while it is still undisputed that the old middle class of small businesses, shopkeepers, artisans and peasant farmers were core Nazi supporters, \[20\] the issue of the new middle class of white-collar workers and lower civil servants is far more contentious. Certainly in the case of private-sector clerical workers, it seems much more likely that many of these were Social Democrat voters rather than Nazi
supporters. Large numbers of this growing sector were from families where this was the first generation which did not engage in manual labour and who continued to live in working-class districts.\textsuperscript{[21]} This was probably especially true of young female workers such as shop assistants.

This leaves us then with the upper middle classes, a greatly underresearched sector and one whose very definition is the least precise in almost all the literature on Nazi electoral support. By the upper middle classes I am not referring to the very wealthiest half per cent or so of the population who owned large proportions of the means of production, such as Krupp or Thyssen, nor to the largest landed-estate owners or the surviving aristocracy. I am talking instead about the next 7-10\%\textsuperscript{[22]} of the population by wealth - or by education, which would later supply them with a comfortable lifestyle (i.e. university graduates in the main). What is being referred to here are the owners of medium-sized businesses, such as small-scale engineering firms, department stores, wholesale businesses, theatres, cinemas, haulage firms, timber suppliers and so on; plus the senior managers of these and larger concerns such as the steel companies, chemical firms, coal mines, insurance companies and banks; and in addition to those are included lawyers, judges, doctors, professors, architects, engineers, chemists, psychologists, veterinarians, top and middle-ranking civil servants, landlords with several properties, well-off investors, military officers, newspaper editors, owners of local newspapers, impresarios and the more successful actors, singers and musicians.

The upper middle classes are one of the principal focuses of Richard Hamilton in his book, \textit{Who Voted For Hitler?}. There he examined in depth the voting patterns of 14 major cities throughout Weimar Germany, studying most closely the important election of July 1932. He found that it was in the best neighbourhoods of every one of these cities, except possibly Frankfurt, that the Nazis secured their largest proportion of the vote. In July 1932, the upper-middle-class districts consistently gave votes of up to 50\% above the city-wide averages of the NSDAP. Moreover, by a process of assigning most of the Jewish, Catholic and small working-class vote of these
neighbourhoods to parties other than the Nazis, he demonstrated that, in a great number of these areas, probably 60% of the Protestant upper middle classes were voting National Socialist in that election.\textsuperscript{[23]} If this trend were repeated throughout the smaller communities of Germany, where general support for the Nazis was substantially higher than in the cities, then at least 12-17% of the total National Socialist vote must have come from this privileged, educated and wealthy sector of the population, who made up only 7-10% of the total. This so-called responsible and decent sector of the population which, until recently, was seen as reluctant to embrace Nazism, was in fact one of its most enthusiastic supporters by 1932.

Much of this economic- and status-conscious group seems to have embraced National Socialism for its anti-communism and its opposition to the gains of the left, trade unionism and democracy itself.\textsuperscript{[24]} Red revolution and social disorder had been the great bogey-men of these classes since 1918, and the Weimar Republic’s electoral and party structures, operating within a system of proportional representation, had failed to allow them to unite politically in order to maintain their conception of social cohesion, or to dominate the state politically.\textsuperscript{[25]} Throughout the 1920s the commercial and industrial upper middle class, as well as the owners of the concerns in which they worked, railed against the ‘trade-union state’, or the \textit{Sozialstaat}, while among many professional groups, in particular doctors and lawyers, a sense of ‘deprofessionalisation’ arose, largely out of overcrowding.\textsuperscript{[26]} This also tended to be blamed upon the existence of the Republic, even though there had been evidence of, and anxiety about, it before 1914, if in less drastic form. Thus, effectively, the very democracy of Weimar was perceived as a threat not only to their own interests, but also to capitalist economic relations, to property and to social status. This was despite the fact that not only did the Weimar Constitution and the legislation of every government from 1919 onwards not attempt to undermine property or capitalism or the concept of social and economic elites, but the much maligned Social Democratic Party, which participated in only one coalition government after 1923, was a fairly conservative and only mildly reformist party.\textsuperscript{[27]} However, as political opinion polarised in the context of worsening economic conditions, the attraction of the
National Socialists as a party commanding mass support, which **could be harnessed** to take exceptional authoritarian measures, grew among the dominant classes as the apparent effectiveness of the existing bourgeois parties faded.\[28\]

This was not the only attraction of the Nazis - they were rabidly militarist, nationalist and violently opposed to acceptance of the Versailles Treaty; they were anti-Semitic and, despite rhetoric to the contrary directed at other, lower classes, it was obvious that they were not opposed to social and economic inequality. Very importantly too, they were believers in strong top-down authoritarian personalised rule. All these attitudes were common coinage among the majority of Germany's comfortable, wealthy and well-educated classes, so the transition to voting Nazi in the years 1930-32 was not a particularly radical step for most of them, liberals as much as conservatives. The most difficult aspect for most people of the upper middle classes who voted National Socialist, was probably acceptance of the relatively plebeian nature of a large number of the Party's members.

Perhaps one of the least emphasised reasons for upper-middle-class support for the NSDAP was that theirs was a relatively modern class, emerging out of industrialisation, urbanisation and increased commercial activity, while the Nazis were essentially also a modern phenomenon - a modern party with a modern Weltanschauung or world-view. While it is incontestable that the Nazis were politically backward-looking in their hostility to democracy and representative government, it does not follow that they must therefore have been anti-modern, as some historians have argued.\[29\] Despite the Blut-und-Boden rhetoric which adheres to the image of the NSDAP to this day, this was a peripheral strand of Nazi thinking which was used selectively to appeal to a rather small and discrete audience - largely the old Mittelstand of small businesses, shopkeepers, handicraft workers and peasant farmers.\[30\] This was the principal sector of German society which felt threatened by the rise of modernity - by urbanisation, technology, big business, capitalism and the unionisation of workers. In the 1920s and early 1930s it was still possible for political parties to say one thing to peasant farmers in Schleswig-Holstein and the complete
opposite to civil servants in Hamburg just 40 miles away, let alone in more distant Berlin, and not be found out. The Nazis were particularly adept exponents of this kind of politicking in an age where communications were still partial, where the radio had not quite been developed as a national medium, and where there were no nationwide newspapers, no national dailies, to expose these contradictions. Newspapers were not only regional (eg the Frankfurter Zeitung or the Berliner Tageblatt), but tended to report on affairs and events which involved or interested their own specific readerships; and these readerships were as much divided by class and occupation as they were by geography.\textsuperscript{31}

The Nazi image and message which reached the predominantly urban upper middle class was not about projects for depopulating the degenerate cities and creating medieval peasant estates, nor was it an anti-industrial or even an anti-big-business one. Instead, political solutions to economic problems were propounded. The Nazis promised recovery through direct action - through the dismantling of a perceived restrictive democracy, through the promotion of expertise over entrenched interests, and through decisive individual leadership over collectivist pressures. It was not so much the specific economic policies of the Nazis which appealed predominantly to the educated and possessing classes of later Weimar Germany, but rather their political-ideological vision.\textsuperscript{32}

National Socialism (and in particular, Hitler) was clear about the fact that it regarded economics as the handmaiden of politics.\textsuperscript{33} Avraham Barkai has analysed a rare surviving copy of a draft manifesto, written in 1931 but never published, entitled \textit{Wirtschaftspolitische Grundanschauungen und Ziele der NSDAP} (Basic Economic Principles of the NSDAP). This talked about the rights of private property, the incentive advantages of capitalist profits and the need for healthy competition, yet at the same time it described private ownership as merely a ‘right to use’ - \textit{ususfructum} - a Romantic, and indeed medieval, concept. It stated that property ultimately belonged to the \textit{Volk} as a whole and that the state was the body which should supervise this use. The implication of this, as the manifesto itself said, was that ‘the economy of the
people is therefore subject to the art of statesmanship". This was a portent of the state direction of the economy which would come to pass in the Third Reich, so perhaps it is little wonder that this document remained unpublished at that time; for business, it would have been at best a two-edged sword, offering security of property but also a future economic dirigism of constraints, regulations and intervention to which most business owners were still hostile in 1931.

Of even greater significance is what the manifesto failed to address - the three million unemployed. In fact, the NSDAP proffered few economic ideas, original or otherwise, and did little to attempt to put forward specific solutions to the economic crisis before the late spring of 1932. There was some talk of settlement plans in the east, the building of suburban housing for the unemployed, a reduction of women’s work, the outlawing of Doppelverdienere (‘double earners’ or the holding of two jobs), the introduction of obligatory labour service, and a woolly notion of enforcing price cuts which, said Otto Wagener, head of the NSDAP’s Wirtschaftspolitische Abteilung (Department for Economic Policy), ‘could reduce the number of unemployed by half or even two thirds within a couple of months’. However, in the main, the Nazis preferred to blame the ‘system’ and make sweeping but vague claims along the lines of another of Wagener’s assertions: ‘When the errors of the old regime are eradicated, when National Socialist thought replaces them, unemployment will disappear and existing demand will activate the economy.’

Then, in May of 1932, the Nazis unexpectedly published the Wirtschaftliches Sofortprogramm der NSDAP (Immediate Economic Programme of the NSDAP) and distributed 600,000 copies as guidelines for its Party speakers, only to renounce it and recall all copies for destruction in September of the same year after it received a sustained hostile reception from the business community. The Sofortprogram had laid down proposals for the creation of employment by means of credit-financed public works (including road-building, housing construction and major land drainage projects), hinted strongly at ideas of Autarkie (self-sufficiency), and proposed many state-imposed regulations on investment and prices. The replacement for the
Sofortprogram was the Plan for Economic Reconstruction, which not only recommended the relaxation of existing price controls and the reduction of taxes on investment and high incomes, but was also much less specific about the issue of job creation. Barkai has argued that the Sofortprogram was a precursor of many of the economic policies actually followed in the Third Reich and that it demonstrated that the Nazis were not as devoid of economic ideas as has often been claimed. Whether that is true or not, the fact remains that the programme was withdrawn within four months and replaced by a much less specific statement of intent more in line with previous practices of avoiding giving a hostage to fortune by tying themselves to specific plans. This suggests that public perception of the NSDAP and support for the Party could scarcely have been based upon an enthusiasm for its economic proposals. Indeed, the much-vaunted work-creation schemes with which the Nazis are associated, were in fact first drawn up by the Brüning administration and begun under the von Schleicher and von Papen governments of 1932. Furthermore, the issues of public works and deficit spending were being widely debated (and supported) within right-wing circles from at least 1931, including the DNVP and the radical-conservative nationalists around the influential monthly periodical, Die Tat.

Although the upper middle classes sought economic recovery both for patriotic reasons and as a means to protect or promote their own interests, it was therefore not the economic proposals of the Nazis which actually attracted them; but nor yet can it be simply or accurately described as a political affinity. The destruction of the trade unions and the complete dismantling of political democracy may have been welcomed by many in 1933, but these were not actual ‘manifesto commitments’ of the pre-1933 NSDAP; they were latent and undoubtedly possible events, but they were not clear-cut proposals. Indeed, few of the post-1933 political actions of Hitler and the Nazis were iterated specifically or unambiguously before they came to power. It was at least as much the thrust of the Nazis’ emphasis upon ‘can-do’ leadership, their meritocratic elitism and their vision of a modern dynamic Germany which appealed to the Bildungsbürgertum as well as to the Besitzbürgertum - in other words it was in very large measure an ideological sympathy. Germany needed to modernise, not
regress to some socially ossified quasi-medieval society, if business was to flourish and the growing ranks of professionals (including even such traditional professions as lawyers, doctors and professors) were to find gainful employment. And of course, aside from some owners of medium-sized firms, almost all the categories of those making up the upper middle classes of business, that is to say managers, professional specialists, engineers, chemists and so forth, were attracted by the prospect of becoming technicians of power in a modern yet undemocratic state. Managers could hope to gain greater unfettered power over their workforces and, because of their expertise, perhaps even acquire some of the controls currently held by less talented or less knowledgeable owners of the means of production. This was as true for lawyers and accountants in an age of complex business structures, as it was for chemists and engineers in an age of technological diversity and competitive research.

National Socialism’s positive attitudes towards the modern world of industry and technology, its connecting of creativity to a perceived German Geist and the racial framework within which this ideological construction was contained are examined in detail in chapter 5. On what might be called a surface or immediate level of attraction for ‘forward-looking’ people, were the modern appearance and practices of the NSDAP. Hitler was the first German politician to use aeroplanes to fly him around the country to rallies and meetings, while his love of fast cars was just one more example of the modern chic dimension which was embraced and displayed by many of the Party’s leadership. Hermann Goering was a frequenter of fashionable events and a flaunter of the modern trappings of wealth, as well as moving in more traditional high society. Joseph Goebbels, above all, was a thoroughly modern man both in his tastes and lifestyle and in his deployment of up-to-date techniques of propaganda. He was a cosmopolitan city-lover who not only adored the cinema and the culture which surrounded it, but employed the film industry to good effect once the Nazis came to power. He also utilised the radio for the benefit of the Party after 1933, realising faster than most the tremendous potential of this modern medium for attracting the attention and moulding the opinions of large numbers of people. He encouraged wider ownership of radios in the Third Reich by expanding the production of cheap
sets at a time when most consumer goods' production was being curtailed in the interests of Autarky and while resources were being diverted into savings and investment as part of the rearmament drive.\textsuperscript{[45]} Goebbels' techniques of information gathering and dissemination in the form of propaganda, both in the Reich Propaganda Ministry and in the years before the NSDAP came to power, were on a par with the techniques employed by Madison Avenue executives to sell vacuum cleaners and cars rather than political ideas.

The NSDAP was also years ahead of all its rival political parties in organisation and financing. In large measure through the efforts of Franz Xaver Schwarz, its treasurer, the Nazi Party became self-financing and solvent, never running short of money for campaigning, administration or paying its employees until November 1932, when the costs of mounting two Reichstag election campaigns, the presidential ballots and innumerable Länder and local government contests, all within nine months, emptied its coffers. Apart from that occasion, this generally very favourable financial situation allowed the NSDAP to avoid becoming reliant upon major donations from any sectional interest in business, industry or agriculture.\textsuperscript{[46]} Thus it was able to portray itself as unbehelden to the interests of capital or wealth or organised labour, and this gave credibility to its claim to be concerned only with the national interest, a 'movement' above the fray of interest politics and sectarian party squabbling.\textsuperscript{[47]} This class-free and patriotic image was attractive to many, not least the business upper middle classes who aspired both to escape trade-union and democratic restrictions and to break through the still extant glass ceiling of haut bourgeois and aristocratic economic and political power.

The means of achieving financial solvency within the NSDAP were in themselves very modern and efficient. Unlike other parties, the Nazis never had a backlog of unpaid membership dues, not even in the depth of the Depression; for whatever reason, nearly all NSDAP members paid up on time. Such efficiency, of course, would draw approval from those for whom efficiency and smoothness of operation were a way of life, e.g. business managers. So too would the way in which the
NSDAP organisers could elicit so much labour and time from Party members and their families to organise rallies, marches, leafleting, poster campaigns and heckling groups. They could stage their campaigns much more cheaply than any of the other right-wing or bourgeois parties.\(^{48}\) Indeed these campaigns were much more high profile, public and stimulating than the staid, unflamboyant and often private meetings of these older parties.\(^{49}\)

Still more remarkable was the fact that, although the Nazi rallies were popular, impassioned and often exciting events, the general public had to pay to get into them - even during election campaigns when the NSDAP was seeking their votes. This was not a wholly new departure; the Social Democrats sometimes charged a ten-pfennig entrance fee, although more often than not their rallies were free. The Nazis, however, were not in the business of collecting nominal charges - they demanded ten times as much as the SPD did: one mark to get in if there was a guest speaker, and two marks if that guest speaker was Adolf Hitler. Although it is difficult to compare then with now, a sum of two marks was equivalent to at least 5% of a skilled worker's weekly wage - about £15-20 in today's money. In many ways it seems as if it must have been a huge gamble to charge such high sums for a product they desperately wanted people to sample and endorse. In another way it is a mark of modern marketing technique to assess that, if you want something to appear desirable, you must set its cost at a high level in order to make it appear valuable. But even then the Nazis were not finished. They would make collections within the hall or venue; and in the context of these gatherings, which were part political rally, part carnival and part religious revival meeting, it was very difficult to ignore the collection buckets being pushed under your nose when enthusiastic, bright-eyed zealots in the same row were ostentatiously shoving quantities of money into them. For those who contributed beyond a certain level there would be loud acclaim and the accruing of much kudos to that individual. Such was the efficiency with which the Nazis could raise money, that it has been estimated that they raised three million marks in one month as early as 1930. This was equivalent to the total spent by the SPD on their entire 1930 Reichstag election campaign.\(^{50}\)
In other ways too, the money-raising abilities of the Nazi Party were very 20th century in their nature. The SA were expected to provide their own brown shirts, and the Party took the opportunity to set up its own supplier in order to retain the profits of such an enterprise. These garments were available at many outlets, and could even be acquired by mail order. Obviously there was an attraction in buying your brown shirt from the institution you supported. This bears a close similarity to the 1990s' phenomenon of football fans buying their replica kits from the club store! A deal was also struck with the Sturm cigarette company whereby its coupons could be exchanged for SA gear, such as daggers, belts and badges. The Party in return received a percentage on sales and a further cut for endorsing the product to its members. This actually led to a 'cigarette war' at the streetside kiosks between Nazis attempting to strongarm them into stocking Sturm cigarettes, while the Stahlhelm veterans' organisation was pushing its own favoured brand, Ostfront. This episode somewhat resembled the Coca Cola/Pepsi marketing wars with a strong element of Mafioso technique thrown in. The SA were further expected, indeed obliged, to take out insurance against injury incurred in street fighting; and such insurance policies were to be taken out with the Party itself, which made the NSDAP a tidy sum. The Nazis also had several other profitable enterprises, most notably their publishing concerns, of which the most profitable was Eher Verlag which printed and distributed Mein Kampf. When a one-volume edition was published in 1930, sales took off and profits poured in - both to the Party and to Hitler personally. The Führer thereupon took up residence in the most expensive suite in Berlin's most prestigious hotel, the Kaiserhof, for the next three years.[51] This was certainly not the action of a hair-shirted ascetic or bucolic party leader.

Allied to the organisational efficiency and the modernity of the NSDAP was the perceived dynamism of the Party in the years up to 1933. This included the incessant street activities, the pumped-up rallies, the marching columns, the profusion of flags and uniforms, and the diverse Nazi organisations which catered for youth, women, sportsmen, car enthusiasts, shooters, and a plethora of occupational and professional
groups. The Nazi Party appeared more vigorous, more enthusiastically proselytising, and certainly a lot younger than any other party except the KPD. It generated interest and excitement, but it also displayed a willing acceptance of modern technology and a leadership organisation which appeared to get things done. What an appealing image this must have presented to those sections of society who perceived themselves as undervalued and underempowered modern men deserving of greater rewards and greater power.\[521\]

The NSDAP, of course, also presented itself as the protector of order and social discipline, as a party which would prevent social chaos or social revolution, and indeed, from 1928, as the upholder of the rights of property. It successfully portrayed itself as a bulwark against Bolshevism and the threat of socialist expropriation, characterising its own thuggery as either a reaction to communist violence or else as pre-emptive and preventative. This image of restoring order, despite the reality of their perpetrating and starting most of the disturbances, was encouraged not only by the Nazis themselves, but also reported by many bourgeois or right-wing newspaper. Thus the respectability and attraction of the Party was greatly enhanced, ironically and paradoxically, by highlighting and publicising their very street brawling.\[531\]

How the dynamism, modernity, authoritarianism and ideological elitism of the NSDAP came to be embraced by many of Weimar Germany’s senior business managers is pursued over the following six chapters of this study, but before examining this phenomenon, it is instructive to look at the wider German business culture and politics of those years and the economic framework of the times.

Germany had been profoundly affected by the Great War, not just in terms of the destruction of men and resources, nor simply because of the traumatic psychological and social-psychological impact of defeat. The relationship of state to society was substantially altered, nowhere more so than in the practices of, and attitudes to, state intervention, planning and brokerage in the economic realm. During the war various ministries, such as munitions and food, had developed into economic-planning
agencies which strictly regulated labour supply and movement and controlled the allocation of raw materials. Although the wartime controls were dismantled after 1918, Germany, like much of the rest of the industrialised world, did not revert to the level of market freedom which existed before 1914. The Weimar Interparty Committee and the Ministry of Labour, among others, accrued increased political tasks and responsibilities, and by the mid-1920s the state was collecting and spending twice the share of national income which it had been taxing and administering before the war. Despite this increased role for the state, fewer decisions were actually being made by the Reichstag, or even by the many coalition governments of the period.\textsuperscript{54}

However, it did not follow that an enlarged state bureaucracy therefore held the reins of power. Economic (and indeed political) management became, in large measure, a matter of arbitration and brokerage undertaken within and between the forces of capital and labour. Power in the marketplace was increasingly correlating with political influence, and as economic bargaining became too important to be left to the free market, state agencies were set up to become legal mediators. Since the most high-profile clashes were between the trade unions and business owners, this inevitably politicised the situation. However, as the expectations of, and reliance upon, political solutions and state action increased, simultaneously the ability of politicians to take decisive action declined as they became progressively more reactive rather than proactive, and as the stormy economic conditions of the Weimar years overwhelmed even their ability to comprehend what economic forces were at work.

Yet however much business might criticise the actions, or lack of them, of successive governments, there was a general acceptance that there was a necessary role for the state to play in the management of the economy and in regulating labour relations. There was little debate about the economic and social merits of pure \textit{laissez-faire} economics,\textsuperscript{55} although this was a straw-man whom the Nazis in particular set up on many occasions only to knock down in a tirade against what they termed selfish, individualistic, unpatriotic liberalism. Instead, the issues which concerned German business revolved around interest-group politics,\textsuperscript{56} which meant gaining
influence with, access to, and even membership of, state policy-making bodies. This could mean achieving selection as a candidate for one of the business-friendly bourgeois parties and being elected to the Reichstag, or it could mean membership of the many appointed committees on economic management, or a place on an arbitration panel or one of the many other quangos of the day. Quickly too, the issue of the nature of the state and whether parliamentary democracy was the best political structure for the nation became an issue for the largely very right-wing German business world, both for the owners and their senior managers.

This anti-democratic tendency arose primarily as a reaction not just against the participation of the SPD in several governments, but also against the perceived overnight power of labour, in particular that of the trade unions. From the beginning, Weimar Germany had a near-permanent record of conflict between business and labour, although there are also some seemingly remarkable examples of consensus and co-operation, such as the great wave of passive resistance and strikes which followed the French occupation of the Ruhr in 1923 and which was supported by both capital and labour. More relevant to the this study than the surge of patriotism which fuelled the Ruhr events, was the Zentralarbeitsgemeinschaft (ZAG), or Central Community of Work, established by the Stinnes-Legien Agreement of November 1918 between employers and the SPD-affiliated unions. German industrial relations were reordered by this arrangement based on mutual recognition, renunciation of company or 'yellow' unions, collective bargaining, the eight-hour day, and institutionalised joint consultation on issues of economic and social policy.\[57\] Essentially this was an attempt by these large corporatist blocks to bypass political government and secure a structural agreement with a socio-economic policy attached, which the yet-to-be-elected Reichstag was expected to approve as \textit{fait accompli} and then enforce by legislation. Thus, even before the Weimar Constitution had been put in place, there were moves to circumvent parliament's authority and role. Significantly too, it was claimed that the interests of the two parties to this agreement were synonymous with the interests of the entire nation, while denying any legitimation of that agreement to the population as a whole beyond their own ranks.\[58\]
The ZAG endured only until late 1923, partly as a result of defections from component parts of each block. Many employers, especially among the newer light industries, refused to be dictated to by the larger heavy-industry companies, while rank-and-file socialist trade unionists felt that their leadership had sold out and prevented the full socialisation or nationalisation of big business. The final nails in the coffin were the acceleration of inflation, the unilateral repudiation of the eight-hour day by heavy industry in the autumn of 1923, and an insistence by the body of employers as a whole that wages be reduced and social expenditure curbed - measures which the government duly accepted and enforced.^[59] 

Thus, although the ZAG appeared to be a co-operative undertaking when it was first set up, it proved to be merely a marriage of convenience arising from the uncertain crisis period of November 1918 and was never remotely a consensual agreement.^[60] Culpability for the break-up lies overwhelmingly with the employers and business,^[61] whose intransigence and aggression were marked not just by the events of 1923, but also in 1928 when they initiated the lock-out of 250,000 iron and steel workers in the Ruhr in an attempt to challenge the still-existing binding arbitration system, collective bargaining and the authority of the state itself, at this point in time governed by the Grand Coalition of the SPD, DDP, Centre Party and the DVP, and headed by the Social Democrat, Hermann Müller. As a result of this business hostility, the practice of collective bargaining grew ever more dependent on state arbitration and enforcement which was not only hated by both sides, but also served to further kindle political polarisation. Added to this simmering brew was the fact that, despite their distrust of successive governments, the trade unions, and especially their leaders, came to depend upon the state for protection against the employers. This had the effect of creating on the other side of the fence a perception that the state and the unions were in collusion, and fanned the fires of a growing hostility to the Weimar system and its democratic constitution.^[62] 

If the employers and business were gratified by the abolition of the eight-hour day
and the imposition of lower wages in 1923/24, and by the degeneration of the Works Councils into talking-shops, their anxieties were quickly rekindled by the evolution of the *Wirtschaftsdemokratie* (economic-democracy) programme within the SPD and their affiliated trades unions from about 1925. This programme can be plausibly interpreted as a Social Democratic reconciliation with capitalism or as a recognition that the ambitious revolutionary hopes and demands of earlier years were unobtainable. What was being sought now was an extension of legal rights in economic matters rather than full socialisation or nationalisation of the means of production. The SPD and the trade unions wanted an institutionalisation of their voice not just at shopfloor level (Works Councils), but also at the macro-level of management of the economy. This highly democratic aspiration was worked out in the aftermath of the actions of employers in 1923/24 with the aim of preventing such aggressive and arbitrary acts happening again. It was not so much the social and economic losses which concerned the SPD and the unions, who could reluctantly accept their (temporary) necessity within the framework of their belief in the efficacies of economic rationalisation, but the draconian and unilateral nature of the way they were carried out.

Despite the moderation of the position of organised labour and the SPD, and despite apparent evidence that they had almost completely eschewed Marxist revolutionary aims, the employers were not mollified. Instead the *Wirtschaftsdemokratie* ideas threw them into a near-panic, intensified their hostility to the trade unions, increased their onslaught upon collective bargaining and Weimar’s social legislation, and strengthened the influence of the more reactionary elements within big business and industry. There were increasing calls for ‘*Freiheit der Industrie*’ (freedom of industry), which was not an invocation of *laissez-faire* free-market principles in the highly cartelised and protectionist context of the Weimar years, but a straightforward demand that business be given more power, by legislation where necessary, to roll back trade-union rights and allow employers to resurrect their pre-war (indeed 19th-century) *Herr-im-Haus* (master-of-the-house) position of dominance over an unorganised and impotent workforce. This also implied a
challenge to the state, which preserved labour’s rights and persisted with a welfare system which business held to be too expensive. In the ideological realm, the effect of the alarmist reaction to the idea of Wirtschaftsdemokratie was to promote an exploration of alternative views of community, beginning with the idea of the Werkgemeinschaft (community of the company/firm) and devoping into notions of the Volksgemeinschaft. A very similar ideological development and trajectory began to emerge in VELA as early as 1924 and is explored over the course of chapters 6-9 of this thesis.

As early as 1925, voices emanating from heavy industry had been heard calling for rule by presidential decree to override the Reichstag, and this began to swell into a chorus from big business as the Great Depression really started to bite in Germany. Hostility to the trade unions was still at the forefront of employers’ and managers’ concerns, despite the fact that during this crisis, unlike the civil disorder that had marked the early 1920s, there were few strikes or demonstrations by either the unemployed or the unions; the workers feared too much for the loss of jobs to down tools, while the left was split and paralysed by the acrimonious animosity between the SPD and the KPD which had emerged around 1929 with the latter’s adoption of the Stalinist analysis of Social Democrats as ‘Social Fascists’. However, the reluctance of successive governments either to fully rein in the trade unions by rescinding legal rights or to cut back welfare provisions during the long crisis, led to increasing calls for authoritarian government, calls which envisaged a codified dictation of industrial relations being laid down by the state and business, rather than by the perceived prevailing block of state and organised labour. The Weimar system itself, long despised by business interests despite their constant manoeuvrings for position and advantage within its institutions, more and more became the focal point of political opposition. As mentioned above, the ideological social framework which emerged to replace it was one which attempted to deny the concept of class struggle by conjuring up the image of a Volksgemeinschaft, something which the Nazis claimed to have created when they introduced the repressive National Labour Code of January 30th, 1934, which did indeed order
labour relations just as business had been demanding. Interestingly, VELA members played a significant role in drawing up that piece of Nazi legislation (see chapter 10).

It is transparently obvious from this discussion that, in the realm of labour relations, much of German business was profoundly illiberal and repressive, and, from our present vantage-point, hugely reactionary in its political views. However, from the perspective of the Weimar era, with democracies dwindling in number across Europe and the stark example of the Soviet Union, it was not at all evident that political democracy was by any means the way of the future. Equally, labour relations, labour law and social-welfare provisions were under attack everywhere in the capitalist world by the time the Depression gained a grip. It is possibly worth considering the fact that Prohibition became part of the United States’ constitution at exactly the same time as the Weimar constitution was approved. Both institutions also died in the same year as each other. After many years of widespread contempt and disregard for the legitimacy of this part of their constitution, Americans abolished it, recognising it as a mistake and a retrogressive move. Why deny a similar logic to the motivations of Germany’s business community who also rode roughshod over what they despised in the Weimar system and also sought constitutional change, albeit of a much more fundamental nature?

If the question of attitudes among German business towards politics and labour relations is subject to debate over whether it was forward-looking, the same cannot be said for attitudes towards business organisation. When Frederick Taylor’s book, *The Principles of Scientific Management*, was published in Germany in 1918, it went on to sell 30,000 copies over the next four years. The ideas of ‘Taylorism’, or scientific management, had already spread to Germany and influenced many industrialists before the Great War. Taylor’s basic thesis was that the accurate and objective measurement of work performance would lead to the establishment of a just and acceptable wage rate and provide the key to improved productivity and industrial harmony. This was to be achieved by timing basic work actions, developing detailed instruction cards for employees, creating factory planning departments, screening out
unsuitable job applicants by psychological testing, and imposing wage scales based on piece-work. Good workers would thereby share in the prosperity generated by expanded output, while inefficient workers' wages would fall below subsistence levels and force them to quit.\textsuperscript{[74]}

Hailed as the application of disinterested and logical science to the world of economic production, which would usher in a utopian change from power over men to the administration of things, Taylorism, in Germany as elsewhere, was applied almost exclusively to questions of labour efficiency. The purportedly impartial pronouncements of science almost invariably supported entrepreneurial and managerial proposals, while the framework of reference, built on the premises of optimising output and piece-work reward, ignored the reality of collective bargaining and the wellbeing of employees.\textsuperscript{[75]} As Germany moved into a period of relative economic stability from around 1924, Taylorism began to be questioned and criticised as both dehumanising and too narrow a concept of business operation. Among the critics was the industrial engineer, Gustav Frenz, who published a critique of Taylorism claiming that incentive payments and psychological selection processes were unsuited to the nature of German workers. Additionally, since only happy workers were productive workers, and since overspecialisation and deskilling were destructive of Arbeitsfreude (job satisfaction), good and effective management would be procured by businesses which encouraged the promotion of fulfilling work for the greatest number of employees, not just for a select few at the top.\textsuperscript{[76]}

Another critic was the economist, Friedrich von Gottl-Ottlilienfeld, who argued that a narrow focus upon technical improvements, centred upon squeezing ever more efficiency out of workers, was becoming counter-productive and myopic. As well as turning factories into soulless prisons and inflaming industrial relations, it did not address the much wider issues of economic and technological rationalisation which were essential for the future well-being and competitiveness of German industry.\textsuperscript{[77]} Gottl instead chose to sing the praises of Henry Ford and his 'rationalisation' methods.\textsuperscript{[78]} These included the use of moving assembly-lines, standardisation and the
enlargement of a mass market through low prices and high wages.\textsuperscript{[79]}

However, just as important to Gottl as the organisation of production, was Ford's management style and business ideology. He saw Ford workers as imbued with a spirit of work which transformed the rigours of labour into joy in the achievement of a common task with which they identified strongly. Inspired by firm and effective leadership, they felt that they were a valued part of a large and worthwhile project and thus readily accepted managerial authority. According to Gottl, by replacing the profit motive with an ethic of service, Henry Ford had developed an admirable system of labour relations, grounded in the leader-follower principle, which should be adopted and adapted for German conditions. He went on to argue that a benign dictatorship of technical reason, imposed from above by managers, would release a spirit of joyful activism which was the foundation stone of genuine community, both in the firm and in the nation at large.\textsuperscript{[80]} This interest in creating a common goal and sense of community among the workforce which would not only improve the poor industrial-relations record of Weimar industry, but might also dissolve class conflict and forge a sense of working for the good of the entire German \textit{Volk}, was to be found in many other pamphlets and books of the time.\textsuperscript{[81]} These same publications also stressed the desirability of ensuring upward mobility and advancement for capable employees.\textsuperscript{[82]}

For senior managers within German business it is not difficult to see why they might find some of the ideas emerging from a German interpretation of \textit{Fordismus} very appealing. As well as encouraging social and economic upward mobility and bolstering the concepts of \textit{Leistung} and meritocracy, it was advocating increased managerial power - a 'dictatorship of technical reason'.\textsuperscript{[83]} One can also perceive more than a suggestion of the Nazi \textit{Führerprinzip} and the \textit{Volksgemeinschaft} liberated from class struggle in this emerging thinking.

For entrepreneurs as a whole, the attraction of \textit{Fordismus} lay in its administrative, productive, marketing and organisational reordering of business
concerns based upon ideas of rationalisation. For big business owners a further consequence of the ‘rationalisation movement’ was an increased preoccupation with amalgamation and cartelisation, surpassing even the pre-war trend to concentration in German industry.[184] Charles Maier has argued that Fordism ‘best served the bourgeois-conservative, often Malthusian ends of European business and industry in the later 1920s’. He saw a general fear among businessmen that the market would be flooded with goods from factories which were presently operating at less-than-full capacity, and this led to their increased interest in the theories and practices of rationalisation. The emphasis of this rationalisation fell upon cutting factor costs, in particular that of labour, and upon absorbing smaller concerns into larger ones. Maier argued that, behind the images of assembly-line efficiency, the prospect of abundance through scientific procedures applied to production, and the promises of the social benefits which big-business capitalism could deliver, lay the ‘zero-sum’ reality of a redistributive project which simply increased the wealth and control of established interests.[185]

Chapters 7 and 8 of this thesis explore the widening split between the perceived interests of managers and owners and the development of a critique of capitalism, or more accurately of contemporary capitalists, which emerged within VELA in the later 1920s. This sits well with Maier’s portrayal of the way big-business owners came to interpret the doctrines of rationalisation - as a justification for industrial concentration and playing safe. Salaried business managers, on the other hand, took rationalisation to mean technological innovation, organisational change, and enhanced managerial responsibility and autonomy, as will be shown later.[186] Additionally, as one would expect, this emerging and rising socio-economic group displayed more fondness for a risk-taking culture than the conservatively-oriented established sector which it was challenging. Maier also argued that rationalisation of the sort favoured by big-business owners was at its height between 1924 and 1928 when the bourgeois parties ruled in coalition without the SPD,[187] and this too ties in well with VELA’s political critique of these parties and the Weimar system itself, which emerged on the heels of its economic criticisms.
Attitudes in the Weimar years to state intervention, planning and laissez-faire owed much to German tradition and practice. The Cameralism of the 17th and 18th century led almost seamlessly into 19th- and 20th-century economic theories, displaying a common authoritarian concept of the state.\[39\] Even before German unification, the public and government sectors were larger and more influential, and the direct influence of the state more palpable, than in most other European countries.\[39\] After 1870, the Imperial state not only embarked upon a series of protectionist measures for both agriculture and industry, but also nationalised the railways, set up economic activities at both Reich and municipal levels, supervised and encouraged cartelisation, and began to intervene actively in mining and industry.\[39\]

Accompanying the economic developments of Germany from the beginning of the 19th century, there grew up a body of supportive, and sometimes guiding, intellectual work which contained certain common threads. These were, firstly, the assertion that the main purpose of all economic activity was to support the power of the state and the Volk, and that the satisfaction of individual desires was secondary; secondly, it was the right and duty of the state to intervene in the economy and, where it was in the interest of the common good, to place restrictions on free enterprise; and thirdly, a favouring of ideas of economic self-sufficiency, usually with a bias towards the importance of agriculture. Among those who contributed to this canon were Johann Fichte (1762-1814), Adam Müller (1779-1829), Friedrich List (1789-1846), Wilhelm Roscher (1817-94), Albert Schäffle, Adolf Wagner (1835-1917), Gustav Schmoller (1838-1917) and Georg Friedrich Knapp (1882-1926).\[39\]

These ideas in turn influenced thinkers of the postwar period, both among liberals, such as Walther Rathenau and Wichard von Moellendorf, and on the conservative right, such as Werner Sombart and Othmar Spann. All of these men’s beliefs and attitudes were also much affected by the Great War and the accompanying economic planning which had proved effective enough to keep Germany supplied in the face of enemies whose combined economic power was far larger than that of the
Reich and her allies.

Rathenau, heir to the giant AEG electrical conglomerate, and Moellendorf, a Prussian aristocrat, engineer and executive within AEG, were in charge of the allocation of raw materials in the War Materials section of the War Ministry and played a large role in the organisation of Reich-wide production between 1914 and 1918. When the war ended, they both sought to apply their experience of a Planwirtschaft (planned economy) to the moulding of the Weimar economy.[92] Although the ideas of a planned economy were largely associated with the left, and although Rathenau and Moellendorf described their proposals as ‘socialist’, both were using the term in the sense of ‘community of the Volk’ where there would be class collaboration in the public interest. Both also saw their visions of a Planwirtschaft as an alternative to Marxism.[93]

Rathenau became Minister of Reconstruction in 1921, and then Foreign Minister in 1922, shortly before he was assassinated by right-wing youths for his ‘collaboration’ in accepting the Reparations settlement. His version of a planned economy was for the extension and systemisation of cartelisation, where private enterprise would continue but would be guided into serving the national interest through the transformation of these cartels into public bodies and Stiftungen (foundations).[94] The economic system would be centralised, rationalised and guided by state planning formulated by a Volkstaat (people’s state) government. The Volkstaat itself was to be an admixture of the democratic and the autocratic, where social mobility would abound and where an authoritarian elite, elected/selected on the basis of merit and ability, would wield dictatorial powers.[95]

Moellendorf, who transferred to the Weimar Ministry of Economics after the war, pursued a more technocratic vision of Planwirtschaft, whose guiding principle of competence was inspired by his admiration for Taylorism.[96] His variant of Taylorism was an extremely authoritarian one, functioning, as he saw it, as a ‘militarism of production’ where workers would be educated out of their prevailing tendency to see
conflicts between management and labour as inevitable. Additionally, Moellendorf viewed state intervention and initiative as essential for the effective working of a modern economy, proposing state-organised planning and supervisory bodies for every branch of production at both local level and through industry-wide councils. One thing which Rathenau’s and Moellendorf’s ideas on Planwirtschaft (and, indeed, ideas emanating from within the SPD) had in common was an emphasis upon maximising production for the benefit and power of the German nation.

Although Rathenau’s and Moellendorf’s ideas were not actually put into practice in the Weimar years, they contributed in the 1920s to the exploration and development of the themes of planning and the role of the state, complemented by commentators and theorists on the radical conservative-nationalist right. Among the latter was Othmar Spann, an Austrian economist and sociologist, whose propagation of the notion of a corporatist state won him widespread interest not only among peasant farmers, artisans and small businessmen, but right on up the socio-economic scale to include the likes of the industrialist, Fritz Thyssen, and across classes through the historic association of German Catholics and the Centre Party with corporatist ideas. His ideas also attracted attention and interest very early in the 1920s among many of the NSDAP’s leaders and followers, in particular Feder, Wagener, Rosenberg and Hitler himself.

Spann’s concept of the corporate state was, in many respects, a quasi-medieval one, whose primary aim was not the maximalist production of Rathenau and Moellendorf, but a harmonious preservation of social equilibrium, stability and security. Spann rejected parliamentary democracy in favour of an authoritarian, hierarchical society where social organisation was to be based upon professional bodies of employers and employees within each trade or industrial sector. These bodies would take care of conflicting interests in industrial relations, competition, prices and the market, and would conduct their economic affairs with a large degree of autonomy. The state itself was also to be constructed as a Stand (estate), which would occupy a position at the apex of the corporate pyramid. Brought together in a
superior economic body, the corporations were to manage the economy in order to free the state from its economic and social roles and obligations. In this way the state would be released from the constraints of conflicting economic interests and could concentrate upon the purely political realm where it would have absolute authority — effectively making it a ‘political Stand’.\footnote{102} It is easy to see why the Nazis would find the concept of a ‘political Stand’ with absolute political power an attractive idea. However, the autonomy granted to each corporation and the economic power vested in their collectivity was a much more problematic notion, and soon after the Nazis came to power, they publicly distanced themselves from Spann.\footnote{103}

Although the old Mittelstand of Germany was the socio-economic group which displayed the most enthusiasm for Spann’s ideas of the corporate state, the heavy-industry sector of big business also showed an interest which endured into the Third Reich. This can be viewed as these firms seeking support from the old lower middle classes while diverting the latter’s gaze away from the threats posed by big business to small business. Equally plausible, and probably more significant, is the interpretation which sees large-scale industry accepting a corporate structure as a suitable framework for the preservation of its autonomy and as a way to promote its monopolistic interests. The formation of self-policing economic associations could promote co-operation between giant concerns and thereby increase their leverage on government.\footnote{104}

The economist, Werner Sombart, was an even more enthusiastic supporter among the radical conservative-nationalist right for the principle of state intervention in the economy which he began to favour as early as 1903.\footnote{105} He rejected Spann’s corporatist state, saying that it gave too much say to the individual corporations ‘in the moulding of the will of the state. The future state, by contrast, must always be authoritarian’.\footnote{106} Corporations, if they were to exist at all, should merely be the agents of political government; the state should decide the structural format and should reserve to itself the power to fix prices, wages and the distribution of resources. Sombart also proposed the nationalisation of large banks, raw-material
industries, the whole transport system of the nation, and all firms producing military supplies.\textsuperscript{[107]} By 1932, he was advocating centralised planning for all sectors of the German economy - a fully-fledged \textit{Planwirtschaft}. Sombart was not alone in his enthusiasm for centralised planning, his ideas being eagerly taken up and propounded by \textit{Die Tat} and its followers.\textsuperscript{[108]}

Despite their advocacy of greatly enhanced government intervention in economic matters and their use of terms such as state socialism or Prussian socialism, Spann, Sombart, \textit{Die Tat} and all the radical conservative groups of the right believed in private ownership of the means of production and the incentive of personal profit. Their vision was of an authoritarian state restricting the freedom of business owners to set prices and wages, but not abolishing the capitalist mode of ownership. Sombart expressed it thus, \textit{'[P]rivate and communal property will co-exist..... although private property will be subject to constraints. Wherever it involves the means of production..... that property is a fief.'}\textsuperscript{[109]} Although the theories of Rathenau, Moellendorf and Spann all contributed to ideas which were fermenting within the NSDAP, the model favoured by Sombart bore the most resemblances to the politico-economic structures which would eventually emerge in the Third Reich. As the later chapters of this thesis will show, it was also closest to the concepts which eventually emerged among senior managers within VELA in the early 1930s.

A final component of Weimar business culture which has not received a lot of attention in historical or sociological accounts of the period, is the locus of company-policy formation in relation to managers and owners.\textsuperscript{[110]} This issue was to raise its head again and again in the pages of \textit{Der leitende Angestellte}, VELA’s in-house periodical, increasingly so as the years passed, and the evolution of a body of political-ideological thinking on the subject among VELA’s senior managers is explored over the following chapters. One of the few works to have addressed this relationship was \textit{The Rationalisation Movement in German Industry}, published by Robert Brady in 1933. This contemporary account described power passing from the owners to the management in the Weimar years as a direct result of the effects of
rationalisation. This was attributable to the new methods of production which required greater, and often more specific, managerial skills, thereby elevating the status of the expert and the specialist. Brady saw rationalisation promoting the inculcation of professional attitudes, attaching greater importance to individual and group responsibilities, and fostering 'the formation of policies according to plans rather than as dictated by personal interest or individual caprice'.

Of equal significance was Brady's argument that the growth of vertical and horizontal expansion and amalgamation, which had led to larger and larger corporations coming into being, had lessened the control of the owners. The very form of these concerns had produced a special kind of corporate legal form among Germany's larger firms. Diffusion of ownership had divided property ownership into numerous small parcels carrying limited rights, and the owners of these small blocks played very little part in the determination of company policy, interesting themselves largely in the size of dividends and the prospect of speculative profits on the stock exchange. Shareholders interests had thus become short-term, while the concerns of management were long-term. Such large-scale concerns required greater amounts of investment capital, ever larger numbers of shareholders, and, in order to make all this function, more effective concentration of managerial authority. Alongside this growth of managerial responsibility for planning, financial discretion and production design, Brady saw a professionalisation project at work among senior salaried employees which imbued them with a new ethos or Weltanschauung. He described this as the entrepreneurial drive giving way to 'motives of workmanlike skill, security, and desire for orderly change'.

Brady, however, did not have the benefit of hindsight, nor did he give much weight or concern to the political situation in Germany in his largely economic analysis. As the following chapters will demonstrate, the Weltanschauung which actually developed among the senior managers within VELA between 1918 and 1933 was far more complex, more ideological, more politicised by the events and crises of the Weimar years, and ultimately more ambitious than the sober, moderate ethos described by Brady.
[4] There are few figures for the number of employees who made up this category, so, in the absence of research in this area, some estimate has to be made. For a much lower estimate of the total number of senior managers in Weimar Germany, see chapter 5, note [8]
[10] All the information on VELA is culled from the pages of its periodic, Der leitende Angestellte, covered in more detail in subsequent chapters.

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Representatives of the DDP, DVP and DNVP were all present as invited guests at VELA’s 1921 AGM, and each gave an address to the assembly. Der leitende Angestellte, Heft 8/9, 1921, pp.53-54.


For a review of the literature dealing with electoral politics in Weimar Germany, see: Conan Fischer, 'Workers, the Middle Class and the rise of National Socialism' in German History Review, Vol.9, No.3, 1991, pp.357-373.


See note [28] of Introduction.

Hamilton, Who Voted?, pp.64-228.

Kershaw, Hitler, pp.286-287.


The thesis that the dominant classes in Weimar Germany went over voluntarily to the Nazis before the Machtübernahme owes much to the ideas put forward by M. Rainer Lepsius, who argued that in both 1918 and 1932/33 the ruling establishments prepared the way for their successors, handing over power rather than having it prised from their grasp. M. Rainer
Lepsius, 'Machtübernahme und Machtübergabe. Zur Strategie des Regimewechns 1918/19 und 1932/33' (written 1971) in Demokratie in Deutschland. Soziologisch-historische Konstellationsanalysen. Ausgewählte Aufsätze, Kritische Studien zur Geschichtswissenschaft, 100, Göttingen, 1993. Lepsius claimed that both events happened in times of extreme crisis, where there was a perception of an 'efficiency deficit' (ibid, p.91), where the legitimacy of both the existing regime and the constitution had been eroded away, and where an alternative elite had appeared and succeeded in attracting a substantial amount of popular support. In each case the parties of the political middle endorsed the agenda of the alternative elite. Lepsius went on to say that in each instance the main priority of the key interest groups remained one of protecting their own autonomy, something which they believed was best served by the alternative on offer. It is implicit in Lepsius’s analysis that, although the ‘parties of the middle’ adopted an anti-democratic agenda similar to that of the NSDAP, nevertheless their memberships and voters still drained away to the Nazi Party during the crisis years of the early 1930s, while the powerful interest groups (from professional organisations to employers’ associations), which had spread their support out among the parties of the middle in the 1920s, began to hedge their bets even further by including the NSDAP among their favoured political choices.

[29] For example, Peter Stachura says that ‘the Party was backward-looking, and constituted a militant crusade against the present. Its objective... was to shape the future of Germany on the basis of concepts rooted in the Second Reich’: Peter D. Stachura, ‘Who were the Nazis? A Socio-Political Analysis of the National Socialist Machtergreifung’ in European Studies Review, 11, 1981, p.316.


[38] In August, 1932, Hjalmar Schacht, the former head of the Reichsbank and a Nazi supporter from about 1930, offered this advice to Hitler in a letter: ‘Perhaps I may, as an economist, say the following: as far as possible do not present a detailed economic plan at all. There is no plan which 14 million [voters] can agree upon. Economic policy is not a party-building factor; at best it attracts representatives of relevant interests’. Gerhard Kroll, Von der Weltwirtschaftskrise zur Staatskonjunktur, Berlin, 1958, p.423.

[39] Michael Schneider, ‘The Development of State Work-Creation Policy in Germany, 1930-33’ in Peter D. Stachura (ed.), Unemployment and the Great Depression in Weimar Germany, London, 1986, pp.163-186. Any notion that the Nazis were early Keynesian protagonists or intentionalists is misplaced, there being no mention of such an economic philosophy in their pre-1933 electioneering. Even more importantly, far from stimulating consumer spending (the very engine of Keynesian economics), once they were in power, the
Nazis sought to restrain and dampen it down by high taxation, enforced savings and profit-led capital investment. The autobahn-building programme and other construction projects, which have often been described as the catalyst or initial driving force of German economic recovery in the Third Reich, actually had a relatively small effect on stimulating the economy because these were capital projects with a low multiplier effect. Richard Overy, *The Nazi Economic Recovery 1932-1938*, London, 1982, pp.33 & 39-53.


[44] In a radio broadcast in March 1933, Goebbels declared that he was not “an unmodern man who is inwardly opposed to the radio...... but a passionate lover of the press...... the theatre...... and the radio.” He went on to say that the power of radio should not be employed in a spirit of spurious objectivity, but should be used to promote the *geistig* mobilisation of the *Volk* which was the essence of the National Socialist revolution. Referring to Germany’s defeat in the Great War he added, “We did not lose the war because our artillery was defective, but because our spiritual weapons did not fire.” Radio, was therefore both a spiritual as well as a technological tool to be used for the benefit of the German nation. Joseph Goebbels, *Reden* (March 25th, 1933), quoted in Jeffrey Herf, *Reactive Modernism. Technology, Culture, and Politics in Weimar and the Third Reich*, Cambridge, 1984, p.195.


However, the protectionist demands of agricultural interests which heavy industry increasingly backed. Angestellte Heft which therefore allowed them to be more conciliatory in wage bargaining, their profitability analysis. LA Heft was greater and less elastic, shown to be a fantasy. Equally, the notion that the representatives of light industry were ever that these 'dynamic' industrial interests did remain loyal for longer to the Republic, including a series of articles in its bi-monthly periodical in the early Weimar years. Gewerkschafilicher interest in international reconciliation to protect their exports, their labour costs constituted a much lower proportion of their supporting the unpopular Chancellor Brüning, than did heavy industry. They had more of an interest in international reconciliation to protect their exports, their labour costs constituted a much lower proportion of their overall production costs than was the case with heavy industry which therefore allowed them to be more conciliatory in wage bargaining, their profitability was greater and less elastic, and they sought low prices for raw materials and hence opposed the protectionist demands of agricultural interests which heavy industry increasingly backed. However, this is very different from a collaboration with labour which Abraham’s critics have shown to be a fantasy. Equally, the notion that the representatives of light industry were ever in the ascendancy among the employers’ federations (David Abraham, The Collapse of the Weimar Republic, Princeton, 1981). His analysis has been bitterly savaged in several publications by Gerald Feldman (eg Feldman, “The Weimar Republic: A Problem of Modernisation?”), p.16, n.45). For less vituperative but equally telling critiques, see Heinrich August Winkler, Der Schein der Normalität. Arbeiter und Arbeiterbewegung in der Weimarer Republik 1924 bis 1930, Berlin/Bonn, 1985, pp.488 & 517ff; Dick Geary, ‘Employers, Workers and the Collapse of the Weimar Republic’ in Ian Kershaw (ed.), Weimar: Why Did German Democracy Fail?, London, 1990, pp.94-105. It does seem true that these ‘dynamic’ industrial interests did remain loyal for longer to the Republic, including supporting the unpopular Chancellor Brüning, than did heavy industry. They had more of an interest in international reconciliation to protect their exports, their labour costs constituted a much lower proportion of their overall production costs than was the case with heavy industry which therefore allowed them to be more conciliatory in wage bargaining, their profitability was greater and less elastic, and they sought low prices for raw materials and hence opposed the protectionist demands of agricultural interests which heavy industry increasingly backed. However, this is very different from a collaboration with labour which Abraham’s critics have shown to be a fantasy. Equally, the notion that the representatives of light industry were ever in the ascendancy among the employers’ interest lobbies has been shown to be a very faulty analysis.

This thesis does not subscribe to David Abraham’s controversial claim that there was a large degree of collaboration between organised labour and the ‘dynamic’ sector of German industry (eg light engineering, optics, chemicals, pharmaceuticals and the electrical industries) from 1918 until c1929/30, and that this ‘dynamic’ fraction was in the ascendancy among the employers’ federations (David Abraham, The Collapse of the Weimar Republic, Princeton, 1981). His analysis has been bitterly savaged in several publications by Gerald Feldman (eg Feldman, “The Weimar Republic: A Problem of Modernisation?”), p.16, n.45). For less vituperative but equally telling critiques, see Heinrich August Winkler, Der Schein der Normalität. Arbeiter und Arbeiterbewegung in der Weimarer Republik 1924 bis 1930, Berlin/Bonn, 1985, pp.488 & 517ff; Dick Geary, ‘Employers, Workers and the Collapse of the Weimar Republic’ in Ian Kershaw (ed.), Weimar: Why Did German Democracy Fail?, London, 1990, pp.94-105. It does seem true that these ‘dynamic’ industrial interests did remain loyal for longer to the Republic, including supporting the unpopular Chancellor Brüning, than did heavy industry. They had more of an interest in international reconciliation to protect their exports, their labour costs constituted a much lower proportion of their overall production costs than was the case with heavy industry which therefore allowed them to be more conciliatory in wage bargaining, their profitability was greater and less elastic, and they sought low prices for raw materials and hence opposed the protectionist demands of agricultural interests which heavy industry increasingly backed. However, this is very different from a collaboration with labour which Abraham’s critics have shown to be a fantasy. Equally, the notion that the representatives of light industry were ever in the ascendancy among the employers’ interest lobbies has been shown to be a very faulty analysis.

VELA railed against the concept and practices of the Zentralarbeitsgemeinschaft in a series of articles in its bi-monthly periodical in the early Weimar years. Der leitende Angestellte Heft 2, 1919, pp.16-17; LA Heft 4, 1920, pp.38-40; LA Heft 6, 1920, pp.65-66; LA Heft 7/8, 1920, pp.77-78; LA Heft 2/3, 1921, pp.13-14; LA Heft 4, 1924, pp.21-22.


Campbell, Joy in Work, pp.67-69.
In 1929, VELA's periodical ran a series of articles on Wirtschaftsdemokratie which were uniformly hostile to the idea. Der leitende Angestellte, Heft 16, 1929, pp.174-176; LA Heft 17, 1929, pp.190-192; LA Heft 18, 1929, pp.197-199.

Gerald D. Feldman, 'Aspekte deutscher Industriepolitik am Ende der Weimarer Republik 1930-1932' in Feldman, Vom Weltkrieg zur Wirtschaftskrise, pp.218-233; Winkler, Der Schein der Normalität, pp.466-518.


Frederick W. Taylor, Die Grundsätze wissenschaftlicher Betriebsführung, Munich, 1918.


Henry Ford's autobiography, Mein Leben und Werk, Leipzig, 1923, which included an exposition of his business philosophy, was republished more than 30 times in Germany between 1923 and 1939. Even more popular was his anti-Semitic two-volume work, Der Internationale Jude, Leipzig, 1922, which had been reissued 33 times by 1937. Jeffrey Herf has pointed out that Ford was 'not only the apostle of assembly-line techniques and scientific management but also of what Gottfried Feder called "creative" or productive capital as opposed to Jewish finance'; Jeffrey Herf, Reactionary Modernism. Technology, Culture, and Politics in Weimar and the Third Reich, Cambridge, 1984, p.41. For a (rather uncritical) view of the centrality of Ford's ideas in the development of German industrial practices, see the section entitled 'Das grosse Vorbild: Henry Ford' in Wurm, Wirtschaft und Gesellschaft, pp.217-220.

Maier, 'Between Taylorism and Technocracy', p.55.

Gottl-Ottlilienfeld, Fordismus, pp.27-35. These ideas of 'authoritative management' and of leader-follower principles of economic management bear many resemblances not only to Nazi concepts of economic organisation within the Third Reich, but also to ideas contained in the unpublished economic manifesto of 1931 (see above, note [34]); Barkai, Nazi Economics, p.37.


It was not only engineers, economists and sociologists who were providing
confidence-boosting ideological underpinnings to senior business managers' sense of their own importance. Hans Rupp, a psychology professor at the University of Berlin, argued that men employed in higher professional and managerial work could be motivated to work better by allowing them a greater, unsupervised autonomy in the workplace, by allowing them a much greater creative input, and by giving them a say in the policies and direction of their firm. These considerations were not suitable for extension further down the employee hierarchy, where lesser employees were more productive if they were firmly controlled in a working environment where tasks were broken up to prevent monotony and regular work-breaks were provided. Hans Rupp, 'Die Aufgaben der Psychotechnischen Arbeitsrationalisierung' in Psychotechnische Zeitschrift, 3, 1928, pp.173-175 & 180-181.


[85] Maier, 'Between Tayloration and Technocracy', pp.54-56. Maier's argument that Weimar big business was preoccupied with the creation of amalgamations, take-overs, trusts and cartels is supported by the views of Eugen Schmalenbach, one of Germany's leading economists in the 1920s and 1930s, although he ascribes a different motive to the process: 'Many expansions were carried out only for reasons of prestige. Managements could not resist the drug of expansion, although their companies were operating well in the market and did not need to fear a serious competitive battle. But they desired a monopoly position. This was enough to produce a clamour for unprofitable investments and acquisitions'. Eugen Schmalenbach, Finanzierungen, 6th ed., Leipzig, 1937, p.309.

[86] Robert Brady argued that, by the mid-to-late 1920s, rationalisation, in the sense of technological innovation, mass production and new forms of business organisation and working practices, had come to be accepted and approved of for the first ever time in Germany by almost all sectors of society, including industrialists, trade unionists, agriculture, the state and consumers; Brady, The Rationalisation Movement, p.3.

[87] Maier, 'Between Tayloration and Technocracy', p.56.


[94] Ralph H. Bowen, German Theories of the Corporative State: With Special Reference to the Period 1870-1919, New York, 1947, pp.164-182 (section entitled 'Rathenau's Cartel Corporatism').


[98] Barkai, Nazi Economics, p.92; Maier, Recasting Bourgeois Europe, p.142.

[99] Maier, 'Between Tayloration and Technocracy', p.45. On SPD attitudes to a Planwirtschaft, see ibid, pp.45-55.


Chapter 4

The Formation and Self-Conception of VELA

Just one month after the end of the First World War, on December 22nd, 1918 in Berlin, VELA (Vereinigung der leitenden Angestellten in Handel und Industrie), or the Organisation of Leading Salaried Employees in Trade and Industry, was founded and recorded as a registered society (eingetragener Verein). This arose as a direct result of the huge strikes which had taken place in Berlin in November 1918 when trade-union pickets barred the entrance of management employees to their offices. In response, the leading figures of top management in the firms concerned called a protest meeting to resist attempts to force them to be party to the aims of the white-collar unions. By forming their own organisation, using trade-union laws and regulations, individual managers could no longer be accused of being strike-breakers because now, by insisting on going into work, they were merely following the directions of their own union, VELA, which was opposed to the strikes.

In May 1919, VELA held its first general meeting, where its constitution was agreed upon and adopted. It declared itself an employees' association set up to look after the social and economic interests of its members. It aimed to do this by influencing public opinion and government legislation, by deepening and widening understanding of the connections between social and economic factors, by working with other associations, by mediating in disputes, by providing legal advice and legal protection, by setting up an employment bureau, and by providing economic assistance to its members through contributory welfare schemes such as provision for widows and widowers, unemployment payments and a burial fund. Membership of VELA was open to both male and female salaried employees working in trade or industry, although the organisation always had an overwhelmingly male composition. Not a single woman was ever installed in a top executive position.
throughout its fifteen years of existence, a situation that was typical of occupational and professional organisations of the time throughout the world. To become a member one had to be engaged in work of a managerial or high-ranking nature, or else be an independent provider of services of a 'higher sort' (*Aufgaben höherer Art*), in other words a professional consultant such as an auditor, an accountant or a company lawyer.\(^{[5]}\)

The setting up of VELA was in many ways the result of a reaction by upper management to the changes affecting German white-collar workers which had occurred in, or had at least been accelerated by, the Great War. As working conditions and pay deteriorated over these four years, white-collar workers as a whole began to reassess their social position and, more importantly, to reconsider their approach to economic and political matters. More and more they realised that there was much to be gained by seeing the manual trade unions not as class enemies, but as allies in the struggle with business owners. No longer were the traditional deferential professional organisations (*Standesorganisationen*) sufficient to protect the interests of salaried employees. As their numbers increased both absolutely and as a proportion of the total workforce, white-collar workers' chances of promotion, their hopes of one day becoming independent, and their closeness and daily contact with their employers all declined.\(^{[6]}\) As Emil Lederer had predicted before the war, the white-collar workforce was becoming proletarianised; they were, in the main, just so many hired hands working for distant employers with different and often antagonistic interests.\(^{[7]}\) Now, not only were the trade unions increasingly seen as allies in the struggle of labour, whether by hand or by brain, but their very structure, organisation and tactics were considered more appropriate in an industrialised advanced capitalist economy.

White-collar associations began to change their structures as the Great War dragged on and on, and this process was further stimulated by the revolution of 1918. Thereafter wage negotiations were institutionalised by a Law of Wage Contracts, trade-union law was revised to give the unions more statutory rights, and preparations
were made to institute Works’ Councils whose composition would consist solely of wage-earning workers and employers, with no provision for separate representation of salaried or white-collar employees. Helter-skelter revision of white-collar associations ensued with umbrella organisations for different skills or professions, different economic sectors and different levels of seniority and remuneration springing up. These in turn found it necessary to enter into alliances, cartels and amalgamations with manual trade unions.\textsuperscript{[8]}

For the leading salaried workers, in other words for management, all this portended a bleak outlook. Their fellow white-collar workers were consorting with the dangerous working class and their socialist ideas. What would become of hierarchy and wage differentials? Would management’s right to manage be infringed? But not only that; in this time of economic and political unrest the large associations and umbrella organisations were representing and pursuing the interests of the greater number of their members. In such large organisations upper and upper middle management, who numbered about one tenth of the total white-collar workforce, would be swamped and marginalised.\textsuperscript{[9]} Economic levelling (and hence loss of social status as well as managerial power) was a distinct possibility, even if two out of the three umbrella white-collar organisations were actually in favour of a capitalist socio-economic system (see later in this chapter).

The combination of salaried position and managerial rights and responsibilities gave rise to a self-perception among VELA’s membership that they were a distinctly different socio-economic group from both employers/entrepreneurs and wage earners (\textit{Lohnarbeiter}) whether manual or white collar. This view was not, however, unique to VELA; it was shared by managers who were not members of the organisation or who had joined other parallel interest or professional groups. One such organisation was BUDACI, \textit{Bund der angestellter Chemiker und Ingenieure}, or the Association of Salaried Chemists and Engineers, which, by 1922, had enrolled approximately 10,000 members and had changed its name to \textit{Bund angestellter Akademiker technisch-naturwissenschaftlicher Berufe}, or the Association of Salaried Technical and
The convergence of views among upper and upper-middle management concerning their distinctly differentiated socio-economic or sociological position is contained in the definitions of *leitende Angestellten* put forward at the time by two of the largest associations which represented managerial interests. VELA’s definition runs as follows:

*Leitende Angestellten sind solche Arbeitnehmer, die im Dienste eines Wirtschaftsbetriebes gegen Entgelt eine Stelle einnehmen, in der sie unter persönlicher Verantwortung für eigene Arbeit oder für die Arbeit ausführend tätiger Arbeitnehmer auf Grund gedanklicher Befähigung und beruflicher Ausbildung eine führende, leitende, prüfende, entwerfende, in der Hauptsache von eigenem Entschluss und selbständigen Urteil abhängende Tätigkeit ausüben, ohne auf Grund des Anstellungsverhältnisses ein Besitzrecht oder ein ähnliches Verfügungsrecht über die Produktionsmittel oder über den Gewinn der anstellenden Unternehmung zu haben.*

Leading salaried employees are those employees who, for remuneration, take up a position in the service of an economic concern and who have personal responsibility for their own work or for the work of non-executive employees on the basis of their intellectual capabilities and professional education; they carry out leading managerial activities of a supervisory and decision-making nature, for the most part acting on their own initiative and using independent judgement; yet on account of the relationship of employment, they have no right of ownership nor similar right of disposal over the means of production nor over the profits of the employing company.

The definition of *leitende Angestellten*, as put forward in 1921 by BUDACI, the Association of Salaried Chemists and Engineers, was as follows:

*Leitende Angestellten sind Arbeitnehmer, welche entweder als gesetzliche Vertreter eines Unternehmens dessen Leitung verkörpern, oder sonst an der Leitung eines Unternehmens mit beschliessender Stimme beteiligt sind, oder als Leiter selbständiger Abteilung eines Unternehmens (wie Tochtergesellschaften, Filialen) oder in anderer Dienststellung derart Arbeitgeberstellung einnehmen, dass sie, von*
Leading salaried employees are employees who occupy employer positions either as legal representatives of a concern who are embodied with leadership or else given a decisive voice in the leadership of a business, or as managers of independent departments within a business (such as a subsidiary company or a branch), or who occupy another position of employment to the extent that, apart from exceptional cases, they have the power to decide or decide jointly, using their own discretion, upon the selection of employees, the sorts of working conditions and the level of wages; this individual is, therefore, at the same time both employee and employer.

These attempts by business management to define themselves in order to lay claim to occupying a special position in the economy and in society were also taken up by sociologists in the Weimar years\textsuperscript{113}. This lent credence to the concept of the leitende Angestellten as a small but very important stratum of society which was neither worker nor employer. Drawing on the works of legal experts, sociological commentators and the published works of VELA and BUDACI luminaries, Carl Totschek produced a thesis in 1932 on the development of the leitende Angestellten as a recognisably discrete group. In this dissertation, entitled Der Begriff des leitenden Angestellten, or 'The Concept of the Leading Salaried Employee', Totschek came up with his own definition of who this group of people were. Essentially similar to that of VELA and BUDACI, it contained in its very first line perhaps the most succinct description of the nature of leitende Angestellten:

Leitende Angestellten sind Arbeitnehmer mit Arbeitgeberfunktionen, d.h. solche Arbeitnehmer, die die Befugnis haben, entweder über die Entlohnung oder über die Entlassung im wesentlichen aller Arbeitnehmer des Betriebes oder einer Betriebsabteilung selbständig zu bestimmen oder entscheidend mitzubestimmen. \textsuperscript{114}

Leading salaried employees are employees with employer functions, that is to say, those employees who have the authority to
decide or to have a decisive say either over the wages or over the
dismissal of essentially all employees of the concern or of a department
within the firm.

In its earliest days VELA took great pains to portray itself as an organisation
which was basically trade unionist in nature and practice. Such was its concern to
project this image that it went to the extent of commissioning a well-known figure in
the trade-union movement, district court advisor (*Landesgerichtsrat*) Kulemann, who
had written a book on the development of professional associations, to produce a
report on the 'trade-union character of the organisation'. Kulemann's findings were
published at length in VELA's bi-monthly journal, *Der leitende Angestellte* ('The
Leading Salaried Employee'), in April 1920. He came to the conclusion that VELA
was indeed a trade union, or at least an organisation with the requisite characteristics
to be viewed as such, for three reasons. Firstly, there was the position of its members
in the economic life of the nation (i.e. they were employees and not employers).
Secondly, VELA refused to accept the right of employers to fix unilaterally
employees' wages or salary levels. Thirdly, VELA had adopted acceptance of the use
of the strike as a legitimate method of conducting a dispute. This latter assertion
was made despite the fact that VELA was at most lukewarm on this issue, seeing the
withdrawal of labour as a very last resort when an employer had been utterly
unreasonable and when every possible avenue of reconciliation and negotiation had
been explored to the full no matter how long it took, and despite the fact that VELA
members had already refused to join in strikes over the previous 18 months and had in
fact continued working during massive walkouts by almost the entire workforces in
disputes in Berlin's metalworking and electrical industries.

There were several reasons behind this apparent wish to be seen as a trade union,
despite the fact that VELA was undoubtedly aspiring to be a professional organisation
similar to those which already existed for doctors and lawyers. The most obvious was
the prevailing political climate of 1919-20 Weimar Germany. During these years (at
least until the June election of 1920) the government and the composition of the
Reichstag, as well as of the *Länder* parliaments (*Landtage*), were dominated by the
SPD, the liberal parties and the Centre Party. It was a time of left-liberal and social democratic dominance augmented by the power and influence of the trade-union movement. In order to try to achieve representation for its members at the highest levels of political and economic decision making, VELA had to be seen as part of the 'progressive' forces of Weimar society and not be regarded as bedfellows of the (temporarily) discredited employers' camp. In particular, VELA was seeking to establish institutional representation for leading salaried employees on the proposed Works' Councils (Betriebsräte) as a third force sitting alongside and between employers and employees. While this met with little opposition from employers' groups, it was regarded with hostility by many within the trade-union movement, particularly in the white-collar unions.

The nature of the ongoing dispute between VELA and other white-collar organisations was twofold. It was firstly over membership, and secondly over political direction. VELA had rivals for the recruitment of managerial personnel from several other associations, among which was AfA, Allgemeiner freier Angestelltenverbände, or the General Association of Free White-Collar Federations. This umbrella organisation was on the left of the white-collar trade-union movement and included the ZdA, Zentralverband der Angestellten, or Central Federation of White-Collar Workers, which was affiliated to the SPD. AfA was flatly opposed to institutionalising divisions between white-collar and blue-collar workers, and had the long term aim of replacing the capitalist system by a socialist one. It believed in the necessity of class struggle and full socialisation of the means of production on the basis of the proposals and programme of the USPD (Unabhängige Sozialdemokratische Partei Deutschlands), or the Independent Socialist Party, drawn up by Emil Lederer and Rudolf Hilferding. Since the USPD was to the left of the SPD, and included many among its rank and file who had sympathies and affinities with the KPD, or Communist Party, this was indeed a radical stance. As part of the strategy of working towards these goals, AfA had entered into a cartel agreement with the huge manual workers' umbrella organisation of trade unions of the left, the ADGB, Allgemeiner deutscher Gewerkschafts bund, or the General Association of
German Trade Unions, which was associated with the SPD.\[^{19}\]

In addition to the ZdA, AfA also counted among its affiliated unions Butab, \textit{Bund der technischen Angestellten und Beamten}, or the Association of Salaried Technicians and Officials, who were direct rivals for a sizeable proportion of VELA’s membership. Butab’s members were salaried employees who were technical as opposed to commercial managers, in the main engineers, designers, architects and industrial technicians. Butab arose out of the amalgamation of Butib, \textit{Bund der technisch-industriellen Beamten}, or the Association of Technical-Industrial Officials, and the DTV, \textit{Deutscher Techniker Verband}, or the German Federation of Technicians. Butib was much the stronger of Butab’s two component parts and its very committed pro-trade-union stance prevailed in the politics, policies and positions of this rival organisation.\[^{20}\]

In addition Butab exerted a strong and disproportionate influence within AfA, which led the umbrella organisation to adopt a position of political hostility towards VELA, perceiving it as being very close to the employers’ associations and unreconstructedly pro-capitalist.\[^{21}\] In the latter observation they were undoubtedly accurate, because VELA was indeed wedded institutionally and ideologically to the prevailing socio-economic system as well as being intensely anti-socialist. Affinity with the employers’ associations was somewhat less certain, since one of VELA’s aims was to create an independent niche or social layer (\textit{Schicht}) for themselves as a third force between employers and all other employees, while the employers themselves, although not at all averse to having upper and upper middle management as allies, still regarded themselves as a class apart from all those who worked for them and never made any provision for even the most senior managers to join their organisations.

AfA, however, was only one of three groupings of white-collar associations which vied with VELA for members.\[^{22}\] To its political right was the GdA, \textit{Gewerkschaftshund der Angestellten}, or the Association of White-Collar Trade Unions, which was founded in 1920.\[^{23}\] It was characterised as a liberal camp and saw white-collar workers as a different social group from manual labourers. While
supporting a market economy and free enterprise, it condemned the excesses of
capitalism and sought social reform by peaceful means. It rejected revolutionary
socialism and state-imposed socialism, seeing both as manifestations of divisive class
conflict. It called for the creation of a community of labour between employers and
employees (die Bildung von Arbeitsgemeinschaften zwischen Arbeitgebern und
Arbeitnehmern) in the interests of the national economy. The GdA entered into
combination with the blue-collar Verband der deutschen Gewerkvereine (the
Federation of German Union Organisations), also known as the Hirsch-Dunker
Association, to form the Gewerkschaftsring deutscher Arbeiter-, Angestellten- und
Beamtenverbände (Gwr) or the Trade-Union Group of German Federations of
Workers, Salaried Employees and Officials, a liberal-national organisation.\[24]\n
Further to the right was Gedag, Gesamtverband der Angestelltengewerkschaften,
or the General Association of White-Collar Trade Unions, which was characterised as
a Christian-national grouping. Its principal component union was the DHV,
Deutsch-nationaler Handlungshilfen-Verband, or German National Trading
Assistants’ Federation, while its main recruitment rival to VELA was BUDACI, the
Association of Salaried Chemists and Engineers.\[25]\ Gedag, too, formed a coalition
with like-minded manual unions, in this case the Christian trade unions, the
Gesamtverband der Christlichen Gewerkschaften Deutschlands or General
Federation of Christian Trade Unions of Germany, to form the DGB, Deutscher
Gewerkschaftsbund, or German Association of Trade Unions.\[26]\n
In party political terms Gedag was always most closely associated with the
conservative DNVP and the right-wing liberal DVP,\[27]\ and espoused an anti-socialist,
anti-feminist and anti-Semitic line. It advocated the rigid separation of white-collar
and manual trade unions, seeing the need to represent what it perceived as the
distinctly different interests of white-collar workers which were at odds with those of
the socially inferior working class.\[28]\ In theory it adhered to the ideals of a society of
estates (ständische Ideale), a pre-industrial social conception which divided society
horizontally by occupation rather than vertically by class. However, the realities of the
class system of interwar Germany meant that Gedag in fact believed in an amalgam of these two conceptualisations. It was happy for salaried employees of all grades working within one industrial or commercial sector to join the same union, but it did not extend this *ständisch* ideal to manual workers. They had to be confined to their own blue-collar unions.\[29\]

Gedag advocated special privileges in law for white-collar employees over manual workers and claimed that greater social prestige adhered to their members' type of work. This supercilious and hierarchical attitude was not mitigated by the claims of both component parts of the DGB to being Christian. Whereas the overwhelming bulk of manual labourers who were members of Christian unions were Catholics, the majority of white-collar workers who were in Christian unions affiliated to Gedag (or in Gedag unions with Christian wings) were Protestants.\[30\] In the DHV in particular there was a strong strand of Lutheran fundamentalism which espoused a theology of nationalism resembling, in many ways, the hostile anti-Catholic ideology of the *Kulturkampf* (cultural/religious struggle) of Bismarck's day. It was for this reason that the far-right DHV could claim in 1933, after the coming to power of the Nazis, that it had never really been 'Christian-social', but rather 'national-social' – ingratiating perhaps, but also possessed of much truth.\[31\] Thus, on account of both class and religion, the DGB was always a rather fragile coalition.

As will become clear over the following chapters, VELA had certain ideological similarities with the GdA and Gedag in that it, too, supported the capitalist economic system, rejected class struggle and saw the white-collar sector as separate from the manual labour force. Like Gedag it believed its members to be a cut above blue-collar workers both socially and intellectually (which should of course be recognised by superior economic remuneration), but, unlike Gedag, VELA believed that the managerial position of its exclusive membership set it, in turn, above the mass of rank-and-file white-collar workers who made up Gedag as well as the GdA and AfA. Additionally, VELA was not an advocate of a *ständisch* society divided horizontally by economic sector, but rather a firm advocate of vertical division. It was organised to
include upper and upper-middle management in every field of trade, industry and finance, seeing this as a natural socio-economic division. It believed that its members shared the same interests, outlooks and goals regardless of whether they worked in banking, coal mining, engineering or distribution, and that their function and position in the national economy was a special and crucial one. This required that they combine in an exclusive organisation to pursue aims which were not just about their own economic interests, but were also vital for the national interest. This belief in their disinterested function (or perhaps this rationalisation for claims on privilege, power, status and wealth) would become more pronounced among the utterances of VELA spokesmen and writers over the course of the 1920s and 1930s.

To illustrate the nature of VELA and its self-perception, it is worth looking at the definition of the organisation and the concept of *leitende Angestellte* given by Dr Leo Müffelmann, its business manager and editor of *Der leitende Angestellte*. He wrote this as part of an article giving an overview of the current organisational structure of white-collar associations and trade unions in Germany in 1920.


Trotz verschieden auflauchender Neigung zur Sonderhindelei ist es der "Vereinigung" möglich gewesen, die gewerkschaftliche Bewegung der gedanklich führenden und ihrer sozialen Besonderheit bewussten Angestellten vor dem selbstzerstörenden Missgeschick der Gewerkschaftsbewegung der ausführend tätigen Arbeitnehmer, der Zersplitterung in politisch, konfessionell und sonderberuflich
The Organisation of Leading Salaried Employees in Trade and Industry [VELA] is regarded as the distinctive elite organisation for the stratum of leading salaried employees. [VELA] is the organisation that brings together the mentally creative, that is to say, leading salaried employees. The specialist groups within the organisation constitute the professional associations of leading salaried employees. VELA itself is the collective body of those professional associations within one united organisation.

The necessity for creating a special organisation for leading salaried employees results from the position of the leading salaried employees in economic life and their peculiar interposing in the production process between employers and the rest of the employees. The progressive development of huge enterprises arising from the amalgamation of specialised plants into large unified units of production leads to an ever more widespread separation of entrepreneurial administration from plant management. Because of this, both the intensification of business in the organisation of plants, and methods of working, increasingly depend on the improved performance of the leading intellectual salaried employees. “The leading salaried employees,” argued [VELA] in a petition to the Reich Ministry of Economics, “are not represented by the trade union associations representing blue- and white-collar workers from a previous community of work; instead they constitute a far different and special employee group from workers or white-collar employees because of their occupation and their interests. Just as white-collar employees are differentiated from manual labourers by the contrast between head and hand work, in the same way leading salaried employees are distinguished from white-collar workers because the latter carry out intellectual administrative work, while the job of the former is intellectually creative. This contrast between the groups of employees who carry out designated manual work, designated intellectual work and intellectually creative work is completely normal in civil service law. There it differentiates between the lower (manual), the middle (intellectually administrative) and the higher officials, the latter of whom work out the principles and directives which govern the middle officials’ administrative work. That this dividing into three, based on the nature of the jobs of their various employee groups, is really common and regarded as self-explanatory in civil service law, while it is not yet sufficiently recognised in private employment contracts for salaried employees, is easily explained: in the century-old bureaucratic state, where special favour and care was expended upon civil service law, this concept developed slowly and became established, while in the area of private employment contracts the
grouping as well as the very concept of leading salaried employees has only been developing over a relatively short period of time, in the same way that in Germany only recently have middle- and large-scale plants replaced small ones. In the small plants the work of leading salaried employees is carried out exclusively by the employer. His is the personality in the small concern which gives the instructions upon which business is carried out. Because of the development of business in trade and industry into large-scale concerns, the employer has had to leave to an employee this leading intellectual-creative job which he can no longer carry out on his own for the whole business, but without allowing this employee to become an employer himself. It is because of this that the third group, the leading salaried employees, has joined the community of employees which, until now, consisted only of workers and white-collar employees.”

Despite various emerging tendencies towards creating special groups, it has been possible to guard the trade-union movement of the intellectually-leading salaried employees and their recognisably special social features against the self-destructive misfortune of the trade-union movement of non-executive employees to split into political, confessional and professionally-specialised splinter groups.

From the evidence of the above, here is a group – German senior management – which has tied itself totally to the idea, and indeed reality, of modern, industrialised, commercial society. Its prospects and status are seen to depend almost totally on the continuation of the capitalist mode of production and on modern methods of large-scale concentrated firms. Only in such an economy can managers hope to wield the maximum amount of power. Small companies allow owners and entrepreneurs to dispense with many of their services, and managers become less pivotal within the business process; fewer powers are delegated to plant management, while the ‘leading’ salaried employees become less distinguishable from the rest of the white-collar workforce. Equally, anything other than private ownership might let the state usurp the power which the free market and the profit motive allow to business managers; nationalised companies and/or a centrally-planned and controlled economy mean that many more economic decisions are taken by political agents, such as party figures, government ministries and supervisory state officials, a process which tends to reduce management to much more of a non-executive specialist role – the upper manager becomes a mere administrator. Far better from their point of view is the
single profit-orientated owner or the distant hands-off investors and stock-holders than the active state with its own agenda and rival power-builders in party and bureaucracy.

Management’s prospects were therefore perceived by themselves to be linked inextricably with capitalism and economic liberalism – but not necessarily with political or democratic liberalism. These were forward-looking people in all but a political sense (provided of course that political progressivism is accepted as the establishment and enhancement of democracy). This group, at least as represented by VELA in the above speech by Dr Muffelmann, appears to have seen itself as an emerging and increasingly recognisable and recognised high-status group. At the very least it was aspiring to become a fully-fledged professional organisation like the ones for doctors, lawyers and engineers. More probably it was aiming even higher. The analogy with the progress of high officials in the German state bureaucracy in the previous century is illuminating. The comparison was there not just to illustrate that it was only a matter of time before senior management was accepted as a discrete group, as a higher-status, officially recognised, self-governing, professional association; a mirror was also being held up to the eventual legal recognition of high officials in the state bureaucracy as being different from and above the rest of the white-collar civil service. This is the key concept which suggests that VELA and its managerial membership were aspiring beyond consolidation or professionalisation. They were seeking to establish themselves as the third and highest tier of the private workforce in Germany, with power and influence in their realm of the economy proportionate to that exercised by high officials in state service.

This can be looked at in several ways. Firstly, this concept equipped VELA with the makings of an ideology suitable for deploying in a 20th-century corporate society. To many at the time, as well as subsequent analysts and commentators, Germany appeared to be essentially divided between two forces – capital and labour – whose weights were roughly balanced and whose mutual hostility was entrenched. Conflict was to be avoided by mediation and negotiation supplied by government-supported
organisations such as tribunals, arbitration committees and, most contentious of all for
those on the political right, Works' Councils.[35] If a sector of society could interpose
itself between these two apparently natural and necessary but antagonistic forces and
be seen, prosaically, as a bridge between the two, or else, more metaphysically, as
transcending these two blind antipathetic forces, it could project itself as offering a
way out of an impasse. It would be a third force, small but powerful, and because it
was neither worker nor employer, it could claim to be devoid of their narrow
self-interests which pulled against each other and prevented progress for society or
the nation as a whole. Of course, it could be argued that, because they embodied the
characteristics of both (rather than neither) employers and employees, they possessed
a double dose of self-interest, not to mention self-importance.

Secondly, even if the corporate society were not to prevail, VELA still sought to
establish its members very high up in the socio-economic scale of the more
conventional hierarchical society which is depicted and despised by Marxists, while
being sought after and sanctified by economic liberals. In this ideal-typical capitalist
model, society is portrayed as a broad-based pyramid as opposed to a see-saw or a
tug-of-war. This 'perfect' model rarely actually exists, but some societies approximate
more closely to it than others. It had more appearance of reality in Imperial Germany
than it did in the Weimar Republic, and to those of a right-wing persuasion this
seemed even more clear and stark. The political parties which VELA members
typically supported (the DVP, the DNVP and later the NSDAP) all sought to
re-establish the pyramidal order, but with slightly different emphases on where the
individual building blocks should go. In the previous century the building block called
leitende Angestellten scarcely existed, so VELA's members were not so keen to see a
simple restoration, a policy or position more closely associated with the DNVP than
with the DVP or NSDAP.[36] Instead they had their eyes fixed upon a very high course
indeed, sharing a level with the higher state officials just below the canopy of gold
made up of wealth and political power. To shift analogy from pyramid to temple,
VELA's leitende Angestellten, like higher state officials, could see themselves
becoming high priests mediating between the rarified realm of power and office and
the everyday world of work and service. Endowed with an allegedly innate disinterest because they straddled both realms, they therefore claimed to be inherently inclined to act in society’s best interests.

Thirdly, whatever model or view of society prevailed, VELA was looking to the future and not to the past as far as socio-economic changes and trends were concerned. Various political configurations might deliver favourable outcomes, but capitalist economic conditions and relations were a necessity; indeed it was modern, large-scale, industrial, technological, specialised-yet-concentrated, complex capitalism which offered the best prospects for upper management. In such a situation they were indispensable for production and commerce, and whoever is economically irreplaceable is politically influential. Thus VELA’s members looked to future new developments in economic and social relations and certainly not to a fondly-remembered or imagined golden past, whether medieval or just ten to twenty years earlier. Whichever political party most closely espoused that ‘progressive’ economic vision was likely to win over the support of a great number of the organisation’s members. The ‘party of business’, the DVP, was the most natural home for Germany’s upper managers, at least in non-Catholic areas, throughout the 1920s. However, when this right-wing liberal party went into steep electoral decline from 1929, and when the NSDAP at around the same time renounced points 11 and 17 of their 25-Point Party Programme and affirmed their belief in the rights of private property and the efficacy of capitalism, it was from the Nazis that the strongest, most attractive message of economic modernity and political reaction came forth. The NSDAP was also a dynamic, united, expanding, well-organised and winning party which stood more chance of getting its hands on some measure of power than the ever-dwindling band of fractious, leaderless DVP deputies with their popular electoral support down to a derisory 440,000 in the July 1932 Reichstag election.

It is true that the socially-modernising message was only one among many being disseminated by the National Socialists. Walther Darré and his fellow Blut-und-Boden enthusiasts were simultaneously directing diatribes about the corrupting influences of
urbanisation, big-business capitalism and technology at tractorless peasant farmers in Schleswig-Holstein, artisan toy-makers in Thuringia, blacksmiths in Franconia, forestry workers on the large East Prussian estates close to the Polish border, and assorted cranky intellectuals. These somewhat isolated and/or insular groups tended not to know what the Nazis were saying elsewhere, especially what they were saying to more cosmopolitan, worldly or urban audiences in cities like Berlin or Düsseldorf. Conversely, if those latter audiences, among whom were senior business managers, knew about the anti-modern strands of Nazi proselytising (which is in itself a matter of some doubt), then it is unlikely to have particularly troubled them. Upper management's view of the world, coloured by a sense of their own importance, led them to believe that power lay in the modern sectors of society — in business, in industry, in cities, in central government — and not on its fringes, in rural areas or in declining economic sectors.

In this they were essentially correct despite the rural and provincial support that was so important for Nazi electoral successes, and despite the coterie of agrarian interests which still exerted considerable influence upon President Hindenburg as late as January 1933. Once the Nazis were in office, thanks to the different roles played by these two distinctive constituencies, it was control of, and willing co-operation from, the more modern sectors which allowed them to embark upon the use of real power to achieve radical aggressive ends. The conservative programme hoped for by von Papen, Hugenberg and Oskar von Hindenburg did not materialise once the Nazis got their hands on political power - nor did the quaint pastoral dreams of Darré and Hess. The reasons for that lay in the absence of any way to remove the Nazi political administration and, just as importantly, in the co-operation of the business sector at both ownership and managerial levels, which allowed the political power of the NSDAP to translate into economic power, which in turn magnified the extent of authoritarian control that the Nazis increasingly came to exert over Germany as the years progressed. It was the real powers in the Party, the 'modernisers' such as Hitler, Goering, Goebbels, Heydrich, Best, Todt and Speer, along with the technocrats and professionals within the SS, the Four-Year-Plan executives drawn largely from
industrial and business management, and the functionaries at the higher levels of the NSDAP (overwhelmingly occupied by the upper middle classes, as shown in chapter 1), who set Germany on the road to expanding its industrial sector, to encouraging even more capitalist concentration through compulsory cartelisation laws, and to implementing more efficient production and management techniques and practices based on the American models pioneered by Frederick Taylor and Henry Ford.\[^{42}\]

It is certainly feasible that such a self-confident social group as upper management, with an ideological underpinning of belief in their own importance and indispensability, would be able to recognise that the messages being directed towards them were emanating from those strata and sections of the NSDAP which were most likely to be the real or major power centres in the Party. Either that, or these managers would believe that, whoever won out politically, it was only by moving with the stream of socio-economic modernisation that real actuating power could be gained. In other words, modernisation was an inevitability or, at least, to fail to move with it meant to stagnate, decline or become marginalised. Alternatively, and perhaps surprisingly coming from potential Nazis, but not so surprisingly when they are considered also as economic liberals, VELA’s members may have believed that economic factors were what really underlay the course of development of society, and that political power is at best a set of reins which still requires that the horse of business be a co-operative animal.

The emergence, as early as 1920, of a belief among senior business managers in their own importance as a third force between capital and labour was the first of the many threads which were needed to weave VELA and the NSDAP together by 1933. Over the next four or five years much of the rest of the fundamental ideological fabric which underlay the finished cloth of Nazism was to be displayed and developed in the pages of *Der leitende Angestellte*, VELA’s in-house periodical.
[1] Much of the history of VELA contained in the following six chapters is drawn from the pages of its bi-monthly periodical, Der leitende Angestellte, renamed Mitteilungsblätter der VELA in 1933. However, at some time after 1955, a short account of the organisation was compiled in East Germany for an official publication on ‘bourgeois and petit-bourgeois’ parties and associations in pre-1945 Germany, Lexicon zur Parteiengeschichte, Die bürgerlichen und kleinbürgerlichen Parteien und Verbände in Deutschland (1789-1945), Band 4. DDR (place and date unknown. Source: Deutsche Angestellten Gewerk!;schaf, Bibliothek und Archiv, Hamburg). It described the foundation of VELA, its purposes, its membership, its landmark events, its actions at the time of the Nazi takeover of power, and its subsequent support of the new regime. As one might expect, the lengthy political analysis of VELA contained in this document very much corresponded to the official line of the East German Communist Party on the ‘bourgeois capitalist classes’. It emphasised the organisation’s links to ‘reactionary’ politicians and big business owners, specifically naming Ernst von Borsig (referred to in chapter 5 of this thesis), Hermann Messinger, Carl Köttingen, Hjalmar Schacht (chapter 7) and Josef Winschuh. It also insisted that VELA had close links with the Stahlhelm (the right-wing veterans’ association with ties to the DNVP), and that it had an extensive interest in, and contacts with, Italian Fascism.

Each of these claims has some basis of truth, but they are greatly overstated. For example, a few articles in Der leitende Angestellte carried approving comment on the apparently favoured position of upper management in the Italian Fascist state, but the main points of contact between VELA and its Italian counterparts were exchange-trips between parties of senior managers visiting each others’ countries for what seemed to be simply junketing holidays! In addition, this thesis hopes to show that, by the late 1920s, VELA was becoming disillusioned with both ‘reactionary’ politicians and the leadership of big business, one of the factors which contributed to its eventual embrace of the NSDAP. The East German document is very selective in its use of evidence, presumably in order to fit in with the theory that fascism was the tool of the most reactionary elements of capitalism. This required that senior managers, defined as part of the ‘capitalist classes,’ be seen to have links with these circles. Their ‘modernity’ was, in effect, played down. Nevertheless, despite the ideological bias of the analysis, its conclusion that VELA welcomed the coming of the Hitler government is most certainly true. Its depiction of VELA’s anti-trade union hostility, its anti-class war rhetoric, its growing hankering after authoritarian government, its extolling of the virtues of leadership, and its obsession with the idea that senior managers possessed a special Geistigkeit (roughly, intellectual spirituality) are all confirmed in the course of this thesis. Thus, the document has a certain value. However, it has only seemed necessary on a couple of occasions to use this rather short precis of VELA’s history as a reference. The material it used, as its footnotes indicate, was taken overwhelmingly from the pages of Der leitende Angestellte. The original sources from the periodical are used throughout this thesis.


[18] On the hostility between VELA and the ZdA, see LA, Heft 2, 1919, pp.16-17.
[20] Speier, German White-collar Workers, pp.18-22 129-130; McLellan, German Experience of Professionalisation, p.186.
[27] On the party-political affiliations of Gedag, and particularly on the relationship between its most important component union, the DHV, and both the DVP and DNVP, see Larry E. Jones, ‘The Crisis of White-Collar Interests: Deutschnationaler Handlungsgehilfen-Verband and Deutsche Volkspartei in the World Economic Crisis’ in Hans Mommsen, Dietmar Petzina & Bernd Weisbrod (eds.), Industrielles System und politische Entwicklung in der Weimarer Republik, Düsseldorf, 1974, pp.811-823.
[31] Speier, German White-collar Workers, p.149.
[33] LA, Heft 14, 1920, p.133.
[34] A classic modern exposition of the analysis of Weimar Germany as a corporatist state is Charles S. Maier, Recasting Bourgeois Europe. Stabilisation in France, Germany and Italy in the Decade after World War I, Princeton, 1975.
The continuing existence of VELA beyond the crisis year of 1918-19 owed as much to changes in the very structure and nature of the modern German economy and its business organisation as it did to its members' aspirations and political or ideological world-views. Although prompted into being by the exigencies of political and economic upheaval, in particular the increasingly socialist demands and actions of not only manual workers but also white-collar employees, sociologically speaking the time was probably ripe for the emergence of an organisation of senior management. While crisis brought VELA into existence, the passing of any threat to the existence of the capitalist economy of Germany did not result in the dismantling or decaying of the organisation. Indeed the resolving of the situation into one where private ownership of the means of production in a competitive market economy was sustained, yet at the same time a strong trade-union movement and a substantial socialist and redistributive political presence was maintained, meant that upper management was essentially obliged to organise and take sides in a two-dimensional corporative system which existed in a state of balanced tension.

Just as importantly, the continued growth of industrialisation led to even more vertical and horizontal expansion in the business world, making companies not just larger but much more complex. Innovations in technology and business practices, as well as new patterns of ownership, created enlargement and specialisation in the fields of engineering, chemistry, banking, insurance, business administration, accounting, personnel selection, sales, and management in general. Some of this growing body of senior managerial personnel possessed their own specialised professional groupings, but these tended to be technical organisations concerned largely with the
nuts and bolts of engineering and quantity surveying or the theories of internal auditing within vertically integrated companies. Political and economic representation was either non-existent or else centred in groups so specialised as to be numerically weak. The *leitende Angestellten* as a whole needed greater clout to protect their own interests, and required larger, more secure self-help welfare systems. They also tended to gravitate towards each other because of a recognition of the similar position which so many different types of upper management actually occupied within this particular stage of development of a competitive capitalist socio-economic structure. Both because of this particular intermediate location and because of their political inclinations, senior managers essentially found themselves identifying with the aims and goals of the companies for which they worked, one of these being an interest in resisting the wage demands of the rest of the workforce. This naturally tended to separate them even further from lower-level employees.

Gisela Kleine argued that it was actually in the period of least crisis in the Weimar Republic, in the so-called ‘golden years’ of 1925 to 1928, that the gulf between the *leitende Angestellten* and the remainder of the white-collar workforce widened most. With the ending of Germany’s chronic and debilitating inflation, economic recovery was accompanied not only by a rationalisation of companies through streamlining, amalgamation and cartelisation, but also by the development of ‘an industrial reserve army of white-collar workers’. These lower-level white-collar workers increasingly saw that the only way to prevent deterioration in their pay, conditions and even status was to unite in trade unions, work in co-operation with the manual unions, and generally take up a stance of defending their interests against the opposing interests of their employers, something which white-collar workers would have found almost inconceivable a mere ten to fifteen years earlier. This position of confrontation with entrepreneurs and the owners of business was anathema to upper management, and provided an element of ideological underpinning to their emergence as a self-consciously distinct layer or *Schicht* within society.
However, the divide between *leitende Angestellten* and the rest of the white-collar workforce began long before the 1925-28 period of stability and relative prosperity. Indeed it even pre-dated the great crisis year of 1923. The sheer numbers of upper management had been steadily growing from the late 19th century onwards because of the requirements of the modern economy of Germany, and they had probably reached the critical mass necessary both for organisation and for its prerequisite - awareness of their own collective existence - in the years prior to VELA’s foundation. It was the crisis of 1918, both defeat in war and the overthrow of the ancien régime, which triggered off a development which had been held up by the unusual circumstances of the Great War.

The question of self-awareness was, of course, closely linked to the question of who the *leitende Angestellten* actually were. In the individual departments, plants and companies, such people were easily recognisable, but it was more problematic to find an overall definition (as opposed to a description) which could be used to delineate and demarcate this group.[7] This process, described in some detail in the previous chapter, was not just an exercise in nomenclatural creation. To reach a clear definition was to take the first and necessary step towards legal recognition of their separateness, an event which VELA and BUDACI members hoped would confer upon them legal preference of a sort enjoyed by higher state officials. Although no such law was ever enacted in the Weimar Republic, separateness was very much recognised as a de facto reality and was not just a perception or conceit of senior managers themselves. As early as 1921, Dr Otto Suhr of the *AfA-Bund* declared that there were 145,000 people,[8] consisting of directors of limited companies and leading managers, who were not entitled to be called *Angestellten*. By implication they could not therefore be members of *Angestellten* trade unions, at least certainly not of unions which were affiliated to AfA.[9]

The question of whether leading salaried employees should therefore be categorised as part of the *Arbeitgeber-Klasse* (employer class) or *Arbeitnehmer-Klasse* (employee class), was one over which sociologists, Marxists,
the Weimar leitende-Angestellten organisations and their post-1945 successor associations argued and debated into the 1960s. This debate may have had practical implications in the 1920s and 1930s, and theoretical implications for Marxist analysis for a much longer period, but it is not one which needs to be pursued very far for the purposes of this study. Suffice it to say that VELA members certainly did not see themselves as ‘workers’ or ordinary white-collar employees, even though, technically and legally, they were Arbeitnehmer receiving a monthly salary just like any wages clerk or typist. Nor did many other workers, blue- or white-collar, see them as ordinary employees. The part of the debate which is more relevant for this study is whether leitende Angestellten were part of the employers’ or bosses’ class (a view prevalent among socialists, trade unionists and probably the great majority of low-level employees), or whether they were a class or Schicht apart (VELA’s and BUDACI’s own view, which was also held by certain sociologists).

An early example of VELA’s determination to set itself apart from employers and owners of business came at its Hauptversammlung, or Annual General Assembly, which was held in Berlin in April, 1920. At the prompting of the assembled delegates, a hastily-constituted committee produced recommendations for guidelines on who was eligible to become a member of VELA. Its remit appears to have been to deal with the top end of membership, as the title of the debate which dealt with the issue suggests: ‘Abgrenzung des Mitgliederkreises nach oben’, which translates as ‘Demarcation of the membership’s upper limits’. The article in Der leitende Angestellte which reported the discussion stated that the proposals were accepted unanimously, and went on to quote the wording used to define the upper delimitation of VELA membership:

Mitglieder der Vereinigung können leitende Angestellten nicht werden, wenn sie dauernd die Aufgaben von Arbeitgebern zu erfüllen haben und ihre eigenen Interessen im Gegensatz zu den Interessen der allgemeinen Arbeitnehmerschaft stehen. Das ist dann der Fall, wenn sie auf die Verteilung des gemeinsamen Arbeitsergebnisses einen bestimmenden Einfluss haben, wie
Leading salaried employees cannot become members of the organisation if they have to carry out the functions of employers on a permanent basis and if their own interests stand in opposition to the interests of the general workforce. That is the case if they have decisive influence on the proportion or distribution of profits, as for example members of boards of directors or deputy board members or the business managers of limited companies. The right to hire and fire employees independently does not of itself exclude membership.

There are two basic approaches to, or methods of, deciding class location. The first is objective class theory which uses quantifiable indicators such as wealth, income and position in the production/economic process. The second is subjective class theory which deals with qualitative factors such as lifestyles, habits, the personal and emotional, and, above all, self-perception. Using all the indicators of objective theory, this study unequivocally places the leitende Angestellten firmly within the socio-economic category of upper middle class. However, the same quantitative indicators cannot be used to group upper management with the owners of the means of production - the Arbeitgeber-Klasse. There are two reasons for this. In terms of wealth, the owners of businesses varied dramatically. While Fritz Thyssen and Alfred Hugenberg might be fabulously rich and wield influence at the highest level of politics and economic policy, owners of smaller firms and businesses, which nevertheless employed dozens or scores of workers, could be living much more modest lives not very different from the top management within the former’s companies. Both these minor capitalists and upper management would fall within the category of upper middle class as defined in chapter 3 of this study, while the wealthy big-business owners would qualify as part of an upper or elite class. Secondly, and more significantly, objective theory may be useful and appropriate for placing sub-categories within larger socio-economic classes, but it cannot be utilised to put employees within a class of employers; even in its own terms, objective theory differentiates between the positions of these two groups in the production process.
With regard to subjective theory, members of the *leitende Angestellten* who joined organisations such as VELA and BUDACI did not primarily, as an ideological imperative, regard themselves as upper middle class. They did, to some degree, identify with doctors, professors, top level civil servants and others of similar wealth and prestige with whom they socialised and interacted in the vast network of *Vereine*, or social organisations, which existed beyond the economic and professional representational associations of Weimar Germany, a phenomenon which is discussed at greater length in chapter 6 of this study. Moreover, as the above quotation on the upper demarcation of VELA membership helps to illustrate, they were even less interested in seeking to align themselves with the *Arbeitgeber-Klaasse*. The notion of being middle class, upper middle class or part of the employer class was not the great rallying cry for Germany’s (organised) senior managers. Theirs was not so much a class-consciousness as a deliberate aim to set themselves apart from other sociological classifications and to be recognised as a distinct *Schicht*, defined by their occupation in the world of trade and industry and by their elevated, yet still intermediate, location between owners and all other employees. As the 1920s progressed, this *Schicht* was expanded to include the independent professions and senior state officials in their emerging world-view. One reason for the emphasis upon their ‘otherness’ was the simple matter of creating an identity for themselves as organised groups. By doing so they could target and attract further membership to their organisations - especially if that identity offered a self-perception of being unique and indispensable. It is this issue of uniqueness and a belief in their own self-importance which were among the most important factors inclining the membership of VELA towards a politics of elitism, and eventually towards support for the NSDAP as a party which promised to give greater power to those who demonstrated performance and leadership - as embodied in the concepts of *Leistung* and the *Fuhrerprinzip*.

There are many examples of VELA members and leaders extolling and expanding upon the idea of of being part of a special, and specially-endowed, *Schicht*
of upper management occupying a pivotal position in German society. An unsigned leader article in *Der leitende Angestellte* of June 1921 demanded that the government, in considering the composition of economic advisory councils, take into account the existence in large modern firms of a newly-emerged *Oberschicht* (top layer or upper stratum) of senior management which now shared with entrepreneurs the functions of leadership in the economic life of the nation. On the basis of the widespread development of upper managers with executive functions, places should be reserved on these bodies for the separate representation of the *leitende Angestellten*. The article went on to distinguish between the *geistig* capabilities of senior managers and the merely administrative work of other white-collar workers, to list the educational background required of upper management, and to assert their right to receive much higher remuneration for the importance of their work and for the special abilities, knowledge and experience which that work required. Such special people, the article continued, should be regarded as a type apart, and it was only right that they should come together in their own exclusive socio-economic organisations where their growing self-awareness could be fostered. The anonymous writer concluded by declaring that political and economic democracy were two completely different concepts. Political democracy was a matter for the masses, but economic democracy was a realm which should be open only to leadership, to those people within businesses who had the relevant technical and organisational skills to take decisions which would benefit the concern and the economy as a whole. This position on who should have a say in economic matters bears more than a passing resemblance to 19th-century liberal attitudes towards political enfranchisement - it should not be restricted to a very small traditional elite, but neither should it become a universal right.

In an article in July of 1921, Dr Hermann Schaefer, VELA's new business manager, argued that, in order to create a proper new system of law for the country, it was necessary to define the *leitende Angestellte* as a certain social type. It was also a necessity, for the sake of the economic community, that leading salaried employees be regarded as a special group. He went on to argue that it was in everyone's interest
that a self-consciousness of their own unique identity should emerge among the
leitende Angestellten, and that they should develop that identity through the means of
an empowering exclusive organisation. Already it can be seen that legal and
economic arguments are being aired to justify the growing claim of being a special
group and to reinforce the demand to be granted privileged status, backed up, of
course, by the assertion that this would be in the public interest and for the greater
national good.

In the August 1921 edition, Dr Müffelmann, now the secretary of VELA as well
as editor of Der leitende Angestellte, stated that it was an uncontested fact that
leading salaried employees were a special group and indeed special people, in an
article arguing that their salaries should not be subject to the same
government-imposed restrictions as those affecting other white-collar workers. In
the same edition Dr Schaefer wrote a very long piece on the definition of leitende
Angestellten and their place in employment law. It was here that VELA’s definition,
cited in chapter 4, was expounded. In the course of this article Schaefer wrote the
following glowing testimonial to the virtue of the type of work and the type of person
embodied in the leitende Angestellte:

Die Ausscheidung der Oberschicht der Arbeitnehmer beruht auf der
Erkenntnis des wirtschaftlichen Sonderwertes, der sozialen
Sonderbedeutung, der besonderen sozialen und wirtschaftlichen
Daseinsbedingungen der geistig selbstständigen Berufarbeit.

The setting apart of the upper stratum of employees rests upon the
recognition of the special economic value, of the special social
importance, and of the special social and economic living
requirements of such intellectually independent professional work.

In the course of this one sentence, Schaefer not only set the leitende
Angestellten apart as a distinct and gifted social grouping, but also claimed that their
occupation fell within the definition Berufarbeit, or profession. Members of
professions such as doctors, lawyers and architects were already defined by law as a
different and separate socio-economic group, and as such were subject to different
economic and tax legislation, as well as benefitting from government employment, patronage and the provision of educational establishments. They also frequently achieved separate representation on governmental consultative committees.\[18\]

The issue of separate representation for the *leitende Angestellten* at this juncture was very much in the forefront of VELA thinking because, in February of 1921, the government had finally introduced a law establishing Works' Councils. Every enterprise which had more than twenty employees was now obliged to establish such a body, consisting of representatives of workers and employers, which was supposed to play a major role in deciding upon the running of each firm.\[19\] VELA's overriding concern was that the interests of senior managers might well be marginalised by their location within the all-encompassing category of employees, where their small numbers would be swamped by the remainder of the workforce.\[20\] Blue- and white-collar workers combined outnumbered upper management by approximately 65 to 1.\[21\] This apprehension turned out to be well justified since the employee side of these councils came to be dominated by the trade unions, especially those of the left. However, the Works' Councils themselves proved to be toothless in practice because of the ambiguity of the wording of the legislation under which they were set up with regard to the legal powers they possessed to enforce their will, and also because of the reluctance of successive Weimar governments to allow any but entrepreneurs to decide upon the direction of economic enterprise. This latter inclination became even more marked from 1923 after the SPD ceased to be a partner in government, and the Works' Councils became impotent forums for the exchange of class-war rhetoric between unions and employers.\[22\]

Nevertheless, despite the receding of fears about the potential powers of Works' Councils, VELA and its upper-management membership did not slacken in their quest to be regarded as a *Schicht* apart. In the October 1921 edition of *Der leitende Angestellte*, the leader article enlisted the support of the recently-held Thirty-first Conference of Jurists which had declared that, in the matter of employment law, leading salaried employees should be considered as outwith the regulations covering
all other employees.\[23\] This was music to the ears of believers in the special nature of *leitende Angestellten*, since legal recognition of their claim to being a separate socio-economic group was by now a fundamental demand of VELA. Legal definition and hence legal differentiation, which had started off as a defensive tactic against the perceived threat of the trade-union power of lower-level employees, were already becoming the first steps towards a demand for differential legal rights, even if only as yet within the realm of employment law in the autumn of 1921. Perhaps of greater long-term significance was the convergence of views between senior business management and this section of the legal community. Many VELA members were themselves trained in the law and worked, for example, as company lawyers, a greatly expanding area within the modern business sector of the 1920s. On May 30th, 1933, VELA was to be incorporated into the BNSDJ (*Bund Nationalsozialistischer Deutscher Juristen*) or the Association of National Socialist German Jurists. This was done at the request of the organisation’s leadership and with the approval of Hans Frank, the BNSDJ’s leader, to avoid VELA’s upper-management members being absorbed into the NSA (*Nationalsozialistische Angestelltenenschaft*), the white-collar workers’ sector of DAF (*Deutsche Arbeitsfront*), the German Labour Front, which encompassed all employees down to the very lowest levels (see chapter 9). Thus, twelve years into the future, VELA’s members would still be manoeuvring to achieve exclusive and elite status, and would indeed seem to have achieved a measure of formal success in the early National Socialist state with their official redesignation from *leitende Angestellten* to *Wirtschaftsleiter*, or economic leaders, and by being grouped together with other high-status economic and legal professionals and officials within a relatively powerful Nazi Party/state organisation headed by an influential patron.

As early as 1922, a leader article in the January edition of *Der leitende Angestellte* claimed that VELA had moved beyond being a mere organisation to having become a movement (*Vela-Bewegung*) directed at emphasising the special location of leading salaried employees in the economic life of the nation. The article stated that employment-law literature now routinely and without exception recognised
the special position and the need for special treatment of leitende Angestellten. The next task was to make this acceptance more widespread among the general public, among the trade unions of lower-level white-collar workers, and in the Reichstag. Although VELA was officially non-party political, the article urged members to become involved in politics in order to further its aims, and indicated that several VELA members already sat on the employee committees of various of the political parties. The article concluded by saying that it was a fundamental demand of VELA that the salaries of leitende Angestellten should not be based on a fixed and schematic scale of rates, but should depend upon the individual’s contribution to the value and well-being of the business for which he worked - Leistung should be the criterion for measuring reward.\textsuperscript{124}

This theme of being separate, special and valuable permeated the debates and speeches at VELA’s annual general meeting in March 1922. Delegates and officials referred to it at every opportunity and in discussing matters as diverse as pension rights and relationships with other employee organisations. Even the Vereinigung's business report contained the following grandiose assertions:

\textit{Die Vela hat den Grund gelegt zur Schaffung einer eigenen Verbandsideologie....[Die] Vela-Bewegung unterstreicht die Sonderstellung des Wirtschaftsführers und zieht eine Trennungslinie zwischen den Führenden und den Geführten. Die Vela-Bewegung betont, dass ohne die Sonderwertung der Intelligenz, ohne die besondere Anerkennung der geistigen Tätigkeit die Entwicklung jedes wirtschaftlichen Lebens behindert ist.}\textsuperscript{25}

VELA has laid the foundations for the creation of an associational ideology.....The VELA-movement underlines the special status of the economic leaders and draws a dividing line between leaders and the led. The VELA-movement emphasises that, unless special credit and recognition are given to intelligence and spiritual/intellectual work, the development of all economic life is hampered.

In the May edition of 1922, reporting on the Annual General Meeting, the leader article claimed that VELA was creating ‘a social stratum with special ideas, with a special spiritual/intellectual form of employment, and with its own view of
spiritual/intellectual development and of economic relations. In this same article, for the very first time, the claim that VELA 'is the gathering together of the spiritual/intellectual leaders of economic life (geistigen Führer des Wirtschaftslebens)' was aired in the official house journal of the organisation. The article concluded by saying that lack of leadership was the problem of the age; that western society, as well as Germany, was crying out for leadership at a time when conditions were unfavourable for it. It was VELA’s task to foster the training and emergence of such leaders within its own field of operations, while also encouraging a wider development of leadership personalities (Führerpersönlichkeiten) among all the spiritual/intellectual professions (Geistesberufe), with the hope that both the free professions and the higher state officials might one day come together with VELA to create a pinnacle organisation (Spitzenorganisation), a united front (Einheitsfront) of geistig achievers and leaders.[26]

As mentioned in chapter 4, some analyses of Weimar Germany have seen it as a dichotomous corporatist state where the power of the employer class and that of the trade unions dominated both economics and politics. This was indeed how VELA viewed the situation in the early 1920s. In the leader article of the September/October 1922 edition of Der leitende Angestellte it was stated:

Der Ausdruck, dass die Gewerkschaften oder die Arbeitgeberverbände eine Nebenregierung ausüben, ist nicht korrekt. Diese Verbände sind die Regierung..... Die politischen Parteien sind trotz ihrer schönen politischen Programme, trotz ihrer weltanschaulich verbrämten Fassaden letzten Endes nur Formen, in denen Arbeitgeberverbände und Gewerkschaften wiederum in Erscheinung treten.[27]

To say that the trade unions or the employers’ associations perform the function of a supplementary government is not correct. These organisations are the government..... In spite of their fine political programmes and their glossy ideological facades, the political parties are ultimately just structures in which employers’ associations and trade unions in turn reveal themselves
VELA's leadership expounded a critique of this corporatist structure, claiming not only that both of these antagonistic forces were self-interested, but that the German population at large was ill-educated and ill-informed about economic and political realities. This was a dangerous situation which allowed the left, in particular the SPD and the Free Trade Unions, to dominate Weimar's democratic political system and to impose a policy of levelling-down (*Nivellierung*) upon German society. To an organisation of highly-paid senior managers this was, of course, an unacceptable and insidious development. Their proposed solution was not to strengthen the independence of the democratic political system, but rather to get themselves recognised and accepted as major players in this behind-the-scenes duopoly and turn it into a tripartite system of influence.[28] In order to achieve this, VELA had to be as strong and as all-inclusive of management as possible. In the same article from which the last quotation was cited, the argument was put forward that it was the duty, indeed the patriotic duty, of all *geistig* practitioners, whether salaried employees or independent professionals, to join their relevant occupational organisations. Only in this way could they influence the government (given the above mentioned corporatist analysis), and such was their responsibility to do this, that anyone who did not fulfil this obligation was committing treason against the Fatherland (*Ver rat am Vaterlande*)!

This was strong moral and social pressure indeed, but interestingly the article went on to appeal to the self-interest of *leitende Angestellten* - the carrot as well as the stick. It pointed out that leading salaried employees were just as affected by the current tide of inflation as were the lowest wage earners; yet many *leitende Angestellten* and members of the free professions had said nothing about this, had considered it beneath their dignity, and appeared to hold some sort of medieval faith that the declining value of the mark would somehow pass them by and only affect those in more menial employment. VELA's founders, it said, had foreseen both these developments and they were among the principal reasons for the creation in 1919 of an organisation which could protect its members' financial interests through bringing together in numbers one of the most strategically placed of all socio-economic groups.

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in German business. Only an organisation like VELA could prevent an erosion of the value of managerial salaries, fight against the threat of the proletarianisation of leitende Angestellten, and also take up the struggle to resist the very real prospect of the destruction of spiritual/intellectual work (*Vernichtung der geistigen Arbeit*). In other words, the fate of *leitende Angestellten* as a whole was tied unequivocally to their ability to organise themselves effectively; the success or failure of VELA was an *Existenzfrage*, a word which translates appositely as either a ‘question of livelihood’ or a ‘question of existence’.\[^{29}\]

By 1923 the greatest problem facing Germany's senior managers was the one which was affecting just about everyone in the country - the Great Inflation. But perhaps just as threatening in the short term was the French and Belgian occupation of the east bank of the Rhine, including the area of the Ruhr. Many of VELA’s members lived and worked in the large concentration of industry and business in the cities of the Ruhr and Rhineland such as Dortmund, Düsseldorf, Essen and Cologne. The Cologne archive which holds the collection of *Der leitende Angestellte* covering the years 1919 to 1934, from which the research materials for this study were drawn, contains no copies of *Der leitende Angestellte* for the year 1923. This was, however, not just the result of the city being occupied by the French from January 1923 until the summer of 1925. When the national periodical reappears in the archive in January 1924, the very first article in that edition makes it clear that publication of *Der leitende Angestellte* had been suspended for a whole year because inflation had made the subscriptions of VELA members, upon which the organisation and the periodical both depended, worthless.\[^{30}\]

In the meantime a local monthly magazine, *Organisator - Westdeutsche Zeitschrift der leitenden Angestellten* (Organiser - West German Periodical of the Leading Salaried Employees), appeared in May 1923 and carried on in production until January 1925. This was a greatly-shrunken magazine, not just in terms of the volume of articles, notices and adverts, but also in its very size and quality. Whereas *Der leitende Angestellte* was always slightly larger than A4 size and printed on high
quality paper throughout its 15 years of publication, *Organisator* appeared in A5 format and upon cruder paper. Nevertheless, it contained articles by many leading lights of VELA, including Dr Hermann Schaefer, the national organisation's business manager, and continued for a year after the reappearance of *Der leitende Angestellte*.

The pages of *Organisator* over the two years in question were, of course, much taken up with the questions of foreign occupation, rampant inflation and, latterly, the effects of the revaluation of the mark. Nevertheless, a substantial amount of space was still given over to the issues which had previously been running in *Der leitende Angestellte*, namely *Leistung*, *geistige Arbeit* and the concept of leading salaried employees as a separate and specially-endowed *Schicht*.

The very first article in the very first edition of *Organisator* was entitled ‘*Persönlichkeitsrecht der Geistesarbeit*’, or ‘Personality Rights of Spiritual/Intellectual Work’. It argued that, in this time of extreme crisis for Germany, it was more important than ever that the abilities and personal qualities of those engaged in *geistig* work should be recognised and given full leash. Only through the drive and commitment of that layer of society, which was not affected by either desperate self-interest or a fatalistic acceptance of oppression by a (temporarily) superior and irresistible foreign power, could Germany survive and her economy recover. It was therefore in the interests of the whole nation that *leitende Angestellten* should have their pay differentials restored and increased so that such creative men did not have to waste their energies on finding ways to satisfy their basic and banal everyday material needs. Neither should they be subject to the forces of economic or social levelling, standardisation or bureaucracy which had hampered the leaders and managers of the economy in the past. Indeed, the *Berufsschicht*, or professional stratum as they now termed the collective wider grouping of *geistig* practitioners, should enjoy a social status and personal freedom enshrined in the economic order by legislation. Only by this means could the creative willpower (*schöpferische Willenskraft*) unique to this group or class be properly nurtured and utilised.
This article demonstrates a new and interesting development in the continuous efforts by VELA to justify its members being regarded as special, and therefore entitled to extra rewards, increased status, more power and, ultimately, differential legal rights. The particular development lies in the use of the concepts of will and willpower as positive active agents, as the creative, if irrational, forces in human nature. These qualities, it was claimed, were inherent characteristics of those who were capable of engaging in *geistig* activities where creativity and force of personality were essential for success and achievement. Originating with Artur Schopenhauer in the early 19th century, the theory of the power of the will (or the ‘will to power’) was very influential in the formulation of Nietzsche’s idea of the Übermensch, or superman, who can create and impose his own laws. It was also a favourite theme of National Socialism, and particularly dear to the heart of Adolf Hitler. In a modern Social-Darwinist world the power of personality rather than that of mere physical strength was held to be the principal factor determining who became the dominant individual in a group. And this could, of course, apply as much to a commercial enterprise as to a political organisation. This appears to be the argument which was being advanced in this article, but in order to attract the support of (and perhaps, indeed, keep the interest of) members who were less attracted to such metaphysical notions, it was interwoven with the case for higher remuneration for upper salaried management. In the world of business, wealth most definitely also played a role in setting the order of the hierarchy, and thus VELA’s demand for large pecuniary rewards within a supposedly spiritually-inspired and non-materialist argument could be conveniently dressed up as merely a tool to enable this essentially selfless group to achieve a suitably high position of status and power which would allow them more effectively to pursue a course of action that benefited the entire nation. It is a moot point whether ideology is created out of economic reality, but it is certainly not beyond the bounds of possibility that at least some of those exposed to these proto-Nazi, or at least elitist and anti-democratic, ideas adopted such beliefs because they buttressed and justified their more visceral material and financial ambitions. The attraction of National Socialism, especially after its watershed year of 1928 when it changed its approach to private enterprise and adopted a much more
sophisticated propagandist line under the astute guidance of Joseph Goebbels, was based as much upon an appeal to self-interest as it was to selfless idealism. Such a potent ideological synthesis chimed extremely closely with the attempts of VELA to reconcile privilege and power with patriotic altruism.

The Organisator article concluded by claiming that performance enhancement could only be achieved through freedom: 'Leistung gedeiht nur in Freiheit!' or 'Achievement thrives only in freedom!' Although claiming in the last paragraph that this freedom included liberation from foreign domination and occupation, the overwhelming concentration of the whole piece was focused upon the other two freedoms mentioned in the same sentence - freedom from material shortages and freedom from legal restrictions. Nor was either of these latter two issues treated as universal for the German population, but each was dealt with purely in relation to the rights and aspirations of VELA's own members and those in similarly geistig upper-middle-class occupations and professions.\(^\text{[34]}\)

The second edition of Organisator contained an article entitled 'Sozial Differenzierung' or 'Social Differentiation'. This argued that human progress was only possible through dissimilarities between people, which both caused and required different lifestyles and varied incomes. The allocation and gradation of wealth distribution should be based upon the criterion of personal achievement with some individuals receiving far more than others on account of their creativity. This, claimed the anonymous writer, was not the advocacy of a programme of social injustice as the 'levellers' claimed, but was in fact a deep social and cultural necessity. Indeed, he concluded, the aspiration towards social differentiation was the very kernel of the Vela-Bewegung.\(^\text{[35]}\)

The July edition of 1923 appeared just as the Great Inflation really got into its stride and the value of the mark plummeted to 350,000 to the dollar, devaluing faster with every passing day.\(^\text{[36]}\) Most of this edition was taken up with lamenting and cataloguing the distress and straitened circumstances of the leitende Angestellten,
who, the leading article claimed, were worse hit than any other sector of the population because their real income had been reduced to a third of its pre-war level. It might of course be argued that, with inflation running at 100% every ten days, they had got off rather lightly, but the article went on to argue that any degrading of the standard of living of upper management was unacceptable both for the individuals and for the economic well-being of the whole country. Without irony it went on to ask if it was not a great monstrosity that highly-educated and skilled top managers from well-known firms should have to spend their free time dealing in the markets for cigars, antiques and paintings in order to maintain the standard of life to which they had previously been accustomed. Achievement and performance of a *geistig* nature, which one expected and required from *leitende Angestellten*, was only possible if those individuals neither had to worry about providing for their families, nor had to think about the most ‘primitive’ questions of existence. The very quality of independent *geistig* work and performance would inevitably decline if *leitende Angestellten* did not enjoy an elevated standard of living and the prospects of a successful career. No matter how vast the means of production or how great the size of the workforce, these factors were of no value without the independent *geistig* personality of leaders in the workplace. The effects of a levelling-down of society would be to destroy the power of personality within the economy by stifling the creative ambitions of its most dynamic members, reducing their work to mechanical functions, curtailing their innovative abilities, and embittering and stultifying these most valuable of men.\[37\]

These ideas of will, leadership, personality and creativity, which suffused the pages of *Organisator* throughout 1923, are indicative of the development of VELA’s thinking on the role and nature of its members. Whereas between 1919 and 1921 the emphasis was upon definition by occupation, by 1923 the *leitende Angestellten* were being identified by their supposed high standards of character and innate *geistig* capabilities which endowed them with special leadership qualities which, it was argued, should be fostered in the interests of the whole community. It is very possible that this development was due to the atmosphere of crisis and chaos in 1923 which
impelled many Germans to look to improved and inspired leadership for salvation. Whatever the cause of this phenomenon, it is perhaps of more relevance and significance to this study to note that Ian Kershaw has said in his recent biography of Hitler that, "[t]he theme of personality and leadership, little emphasised before 1923, was a central thread of Hitler's speeches and writings in the mid- and later 1920s".\[38\]

Some similarities between the ideas, concepts and vocabulary of both Hitler's and VELA's members' writings at this same juncture in time can be seen by reference to a passage in the first volume of Mein Kampf, written in 1924:

> The movement must promote respect for personality by all means; it must never forget that in personal worth lies the worth of everything human; that every idea and every achievement is the result of one man's creative force and that the admiration of greatness constitutes, not only a tribute of thanks to the latter, but casts a unifying bond around the grateful. Personality cannot be replaced; especially when it embodies not the mechanical but the cultural and creative element.\[39\]

This theme was picked up again in Volume 2 of Mein Kampf and elaborated upon in a manner which is even closer to the wording and ideas contained in contemporaneous VELA publications. Hitler began by talking about inventors and inventions, but then went on to expound on the importance and the virtues of all creative thinkers:

> It is not the mass that invents and not the majority that organises or thinks, but in all things only and always the individual man, the person.....A human community appears well organised only if it facilitates the labours of these creative forces in the most helpful way and applies them in a manner beneficial to all. The most valuable thing about the invention itself, whether it lie in the material field or in the world of ideas, is primarily the inventor as a personality. Therefore, to employ him in a way benefiting the totality is the first and highest task in the organisation of a national community. Indeed, the organisation itself must be a realisation of this principle. Thus, also, it is redeemed from the curse of mechanism and becomes a living thing. It must itself be an embodiment of the endeavour to place thinking individuals above the masses, thus subordinating the latter to the former. [original Italics]

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Consequently, the organisation must not only not prevent the emergence of thinking individuals from the mass; on the contrary, it must in the highest degree make this possible and easy by the nature of its own being. In this it must proceed from the principle that the salvation of mankind has never lain in the masses, but in its creative minds, which must therefore really be regarded as the benefactors of the human race. To assure them of the most decisive influence and facilitate their work is in the interest of the totality. Assuredly this interest is not satisfied, and is not served by the domination of the unintelligent or incompetent, in any case uninspired masses, but solely by the leadership of those to whom Nature has given special gifts for this purpose.\textsuperscript{[40]}

Hitler’s reference to inventors is not at all irrelevant to the world and roles of upper management since, amongst other factors, a great proportion of inventors were engineers (and chemists), of whom a sizeable number were members of VELA. Both Jeffrey Herf and Kees Gispen have studied the strong connections between the engineering profession and the Nazi Party which began to emerge in the late 1920s.\textsuperscript{[41]} Herf, in particular, has shown how the apparent gulf between the concepts of \textit{Geist und Technik} (spirituality and technology), which influenced much late 19th-century right-wing Romantic nationalist thought, was bridged by the development, in the first third of the 20th century, of the idea that technology in fact contributed to a spiritualising of labour. This came about through technology’s gradual identification with form, use-value, creativity, aesthetics and German \textit{Geistigkeit}, and through its detachment from abstraction, foreign intellectualism and the materialism of (largely Jewish) finance capitalism. Previously the means-ends rationality and modernity of technology had aroused the antipathy of 19th-century German Romanticism, which was one of the major ideological streams of right-wing nationalist thinking and which was very much rooted in an atavistic, pastoral world-view. However, the experience of the First World War and the growing influence of the concepts of the will to power, the celebration of the self and the ‘authentic experience’ in Romantic thought led it to embrace technology as the embodiment of will and beauty and as having a \textit{Geist} of its own.\textsuperscript{[42]} Oswald Spengler, the historicist writer, even went as far as to claim that modern Western technological innovation was religiously inspired, that it was in fact the manifestation of an urge to reveal the mysteries of God’s universe.\textsuperscript{[43]}
Spengler was one of a new generation of postwar völkisch writers who did not reject the urbanisation, industrialisation and faster pace of modern life. Included among this group were Werner Sombart, Carl Schmitt, and the highly influential Ernst Jünger who glorified the power and ‘authentic experience’ of modern mechanised and highly-destructive warfare. These powerful voices helped to transform pastoral Romanticism into political Romanticism, or what might even be called Romantic Modernism with its acceptance of technology as an expression of the joy in creation, and where the engineer-artist could bend nature to his will now that Technik had been reconciled with Kultur. But even before the Great War, German Romanticism was predisposed to accepting inventors as ‘teachers of the nation’ and as a wellspring of human creativity. The heroic cult of the artist-genius was slowly being applied to the realm of technology, and, although it rarely appeared in the visual art forms employed with such enthusiasm by the Italian Futurists, it was a recurring theme in German literature where the inventor was portrayed as an embattled genius struggling against the forces of conformity, standardisation, rationalisation and both capitalist and socialist collectivisation. This idea also carried within it the völkisch notion of Germany’s special technological genius, which is virtually indistinguishable from the context of Hitler’s pro-inventor pronouncements quoted above. These appeared in the chapter of Mein Kampf entitled ‘Personality and the Conception of the Völkisch State’ where he was comparing the Aryan disposition towards creativity with Jewish parasitical manipulation.

Nationalistically-inclined engineers, who constituted at the very least a substantial minority of the whole profession, also did much to effect the fusion of technology and culture through their professional organisations, and in particular through their writings in those organisations’ periodicals from as early as the 1870s. The very name of the most widely read of these periodicals, Technik und Kultur, is itself indicative of the desire among the profession to claim for themselves a role in the nation’s ‘cultural mission’. Carl Weihe, who edited Technik und Kultur from 1921 until 1934, exerted a great influence upon the consciousness of the
university-trained engineering elite, making the writings of cultural critics (including the völkisch writers just mentioned) comprehensible to them, utilising the ideas of Schopenhauer and Nietzsche to establish a harmony between technology and German philosophy, and instilling in their minds the notion that they had an autonomous and cosmic 'cultural mission' within Germany. Weihe was also a great believer in the power of the will, going so far as to say that human beings were only instruments of this external force, which existed most strongly in creative people, in the leaders of men and in artists. Perhaps needless to say, Weihe became a Nazi and a great admirer of Hitler who, he said, was the epitome of one possessed of the power of the will, acting and speaking from the heart rather than resorting to 'clever reasoning'. Here we see an example of something which, at first sight, appears contradictory and unlikely - the irrationalism of the Romantic, the anti-intellectualism of Nazism and the logical professional skills of the engineer being synthesised into an essentially consistent world-view, even if based upon some very contentious underlying assumptions about creativity, human nature and the existence of external, and indeed metaphysical, forces.

A final group who influenced the marrying of German technology and German nationalist culture by way of the concepts of the will and the power of creativity, was the Nazi Party itself. While Hitler, Goering, Goebbels and Speer have all been mentioned as leading Nazis who embraced modernity, in the specific context of cementing Technik to Kultur, much was due also to the efforts of Gottfried Feder and Fritz Todt, both of whom were qualified engineers themselves and both of whom were personally close to Hitler at different times.

Feder laid the foundations for the NSDAP's attitude towards technology and industry with his publication in 1919 of *Das Manifest zur Brechung der Zinsknechtschaft des Geldes* (The Manifesto on Breaking the Interest Slavery of Money). Basing his theory on one of the central tenets of National Socialism - the idea of an eternal racial war focused mainly on the struggle between Aryans and Jews - Feder distinguished 'Jewish finance capital' from 'national capital'. This
conveniently allowed for a populist anti-capitalist rhetoric which nevertheless left the bulk and structure of existing property relations untouched. In 1923, Feder declared that Jews did not engage in productive labour and were the bearers of a parasitic Geist, while ‘German’ big business (such as the firms of Krupp and Thyssen) and its possession of large amounts of capital was not at all in conflict with the interest of the totality. The fundamental recognition of private property, he said, was ‘deeply anchored in the clear awareness of the Aryan spirituality’.[51] The formulation of a racial analysis of property rights and relations also gave an ideological underpinning to, and justification for, the NSDAP’s public change of tack in 1928 when it abandoned the anti-capitalist Article 17 of the Party Programme (see chapter 2). In his 1933 work, Kampf gegen Hochfinanz (Struggle against High Finance), Feder contributed his most theoretical work to the canons of National Socialism and coined one of Nazism’s many catchy aphorisms and slogans, ‘creative versus parasitic capital’ (schaffendes gegen raffendes Kapital). Here he asserted that creative capital was a source of usefulness, employment and technological advance, while parasitic capital leached away national resources for the benefit of international financiers.[52] Foreign banks and the Jews were to blame for all of Germany’s problems, thus denying that class conflict or any notion of a struggle between capital and labour could be a cause; instead, the issue was conceptualised as a nationalist one requiring the creation of a Volksgemeinschaft where National Socialism would put service to the nation above individual gain.[53]

Feder was also instrumental in setting up the National Socialist Library, which published a series of pamphlets on the Nazi view of economic matters and technology. In 1930, the NSDAP’s first official statement on modern technology appeared in one of these pamphlets written by yet another engineer, Peter Schwerber. Schwerber declared that National Socialism’s aim was to emancipate technology from the domination of money and the ‘chains’ of Jewish materialism, and that racism was both the foundation of, and rational conclusion to, Germany’s reconciliation with technology. He further claimed that technological advance was not only a founding principle of the NSDAP, but also in tune with the Geist of the German Volk.
Technology, indeed, was an ‘independent force’ possessed, like National Socialism itself, of a ‘primal life instinct’ which could be utilised against the ‘gigantic power of money’ and ‘Jewish materialist restrictions’. As a natural force, technology had a will of its own and could be either passionate or demonic. In the hands of Jews and financiers its misuse created destruction and misery. However, the ‘natural’ will of technology was to seek the victory of ‘spirit over matter’ and the Nordic race was perfectly suited by its own intrinsically geistig nature to be its custodian and practitioner. This official pamphlet unambiguously declared Nazi support and enthusiasm for technology, laying out a case in ideological, philosophical and metaphysical terms. The concepts of will, spirit and autonomous external forces, stripped of their overt racism and anti-Semitism, bear many resemblances to the world-view which VELA has been shown to have been developing during the early Weimar years and which would be reiterated and enlarged upon during the latter phase of the Republic.

Feder’s lingering anti-capitalist rhetoric helped to lead to his swift eclipse in 1933 as an influential figure in the Nazi leadership. However, it is just as likely that his decline arose from his lack of a personal or political following in the scheming rivalry that characterised the Reichsleitung of the Third Reich. Among those who stepped over him on their way up were Robert Ley, leader of the Labour Front, and Fritz Todt who was put in charge of the Amt der Technik (Office of Technology) and designated by Hitler as his representative for all matters to do with the organisation and development of technology. Todt had been a Party member since 1923, but he continued to work in engineering for another decade and was therefore very well connected to the engineering profession and its cultural traditions, unlike the more detached and scholarly Feder. Although very much in the mould of a technocrat, Todt was also an ideological and political evangelist for the NSDAP. Using the Amt der Technik to publish what he called a ‘technopolitical journal’, Deutsche Technik, this glossy periodical constantly sought, over an eight-year period, to convince its 80,000 engineering readers that National Socialism was compatible with, and the best promoter of, modern technology. Less metaphysical than Feder or Schwerber, Todt
concentrated upon convincing engineers that it was their technical rationality rather than their souls which the Nazi state sought to mobilise in the national interest. He did, of course, as a believing National Socialist, emphasise that their skills were derived from a particular German *Geist* and that their technological achievements should be conceived of as cultural works of a creatively spiritual nature. While this fitted in well with the cultural traditions and claims of engineers developed over the previous 50 or more years, and appealed to their nationalistic idealism, *Deutsche Technik* was not averse to pointing out to its readership how the power and importance of engineers were growing in the Third Reich with the undertaking of so many large-scale construction projects and the demands of a modern rearmament programme.\textsuperscript{157}

Feder and Schwerber were, of course, preaching to a largely NSDAP audience, while Todt was projecting his views directly at the engineering profession, so it is worth looking at what the influential Joseph Goebbels had to say on the linked issues of technology and *Geistigkeit* - in public. Not one prone to metaphysical flights of fancy, Goebbels had no time for the notion that technology had a spirit of its own, but nevertheless he did believe that there was a special *Geist* inherent in the German *Volk* and most developed among those who had embraced National Socialism, an approach not dissimilar to that of Todt. At a speech given at the opening of the Berlin Automobile Exhibition in March 1939, he said:

We live in an age of technology. The accelerating tempo of our century affects all areas of life. There are hardly any undertakings which can avoid its powerful influence. Thus, surely, there must be a danger of modern technology rendering men soulless. However, National Socialism has never rejected nor fought against technology. Instead, one of its principal tasks has been consciously to approve it while providing safeguards through disciplining it and imbuing it with soul in order to put it to the use of our people and our culture. In the past National Socialist public pronouncements have talked of the steely romanticism of our century. Today this phrase has become wholly meaningful and real. We live in an age which is both romantic and steely, an age which has, however, not lost profound feeling, but rather has uncovered a new romanticism through the effects of modern inventions and technology. Bourgeois reaction to technology was one
of distance and incomprehension, if not complete hostility, and modern-day skeptics believed that it constituted the deepest roots of European cultural disintegration, but National Socialism has understood how to fill the soulless framework of technology with the rhythms and fiery impulses of our age.[58]

As mentioned above, many of the senior managers within VELA’s ranks were also qualified engineers, but it is equally significant in the context of the second quotation from Mein Kampf that, in the years up to 1933, Der leitende Angestellte began to feature many articles on the issues of copyright and patent laws and the rights of inventors and innovators.[59] Kees Gispen has shown how the Nazi patent laws of 1936 met almost all the demands of salaried engineers for inventions to be recognised legally as the intellectual property of the inventor (albeit with an obligation to use it for the good of the nation - a right inevitably denied to Jews) and not of the company for which he worked. Much of the work needed to promote this inventor-friendly measure and have it signed into law by Hitler was done by Hans Frank, whose name keeps recurring in relation to matters concerning VELA. Similar patent-reform bills, supported by the NSDAP, had been introduced into the Reichstag in 1929, 1931 and 1932, but had been defeated by various opposing forces.[60] All this demonstrates clearly a harmony of view between much of the engineering profession and National Socialism, at least on the patent issue, on the underlying ideological conceptions of the value of geistig work and the rewards due to geistig practitioners, and on the (spurious) distinction between Aryan ‘Geistigkeit’ and Jewish ‘intellectualism’.

Although most of non-engineering upper management in business and industry was not involved in the popular image of invention - new machines, improved engines, better mousetraps and so forth - it was, nevertheless, very much engaged in organisational innovations, in office and information systems, in production methods, sales techniques, advertising-copy creation, and much more. All of these contributed as much as improvements to Opel’s engines or the development of new synthetic fibres to the growth, efficiency and profitability of German business and industry in the Weimar years - and a good deal of these innovations were eminently patentable.
This is confirmed in another study by Gispen where he showed that the 1920s and early 1930s constituted a period in the development of German technology where consolidation and the build-up of complex systems following the burst of inventive activity from 1880 until the Great War was the norm. The decade-and-a-half following the war saw much more concentration on organisational improvements within firms engaged in mature technologies than the creation of radically new inventions. These improvements were based largely upon rationalisation, Fordism, Taylorism, efficiency, economies of scale and the construction of enormous technological systems. While great strides were made in electrification and public transport, little progress was made in the development of automobiles or telephones.\[61\]

Despite these shackles, which Gispen sees as arising from a tradition of German bureaucracy and a formalised and over-specialised education system, he nevertheless concurs with many commentators in describing the Weimar Republic as displaying a 'self-conscious culture of technological modernity'.\[62\] His conclusion is that, from the point of view of inventors, engineers and industrial scientists, the Weimar Republic was seen as an anti-technological phase in German history where the dominant culture stifled the forces of creativity and innovation. Consequently, this sector became 'caught up in a radical anti-capitalist and anti-establishment critique of Weimar society',\[63\] a phenomenon which similarly developed within VELA and is examined in chapters 7 & 8.

All this evidence and analysis helps to reinforce the argument that senior management, and not just the engineers among them, were attracted by the essential modernity and positive approach to technology and industry of the NSDAP, and not by its overemphasised pastoral Blut-und-Boden wing. The Nazis were seen to be enthusiasts for technology, for creativity, for innovators and for geistig leaders, reacting against the perceived culture of devaluation of such factors and people. However, despite the convergence of views clearly evident as early as 1923, the crisis of that year was not the one which would draw engineers and other leitende
Angestellten into political support for the NSDAP - that would have to wait until the coming of the next crisis, the Great Depression, following four years of economic recovery and relative stability.


[4] An example of this is the attendance as a guest at VELA’s 1921 AGM of Dr Dix, the business manager of the *Vereinigung von Oberbeamten im Bankgewerbe*, the Organisation of Senior Officials in Banking. The following year, Dr Dix again attended the conference, but this time he was seeking the approval of the assembly for the incorporation of the *Vereinigung von Oberbeamten im Bankgewerbe* into VELA. *LA, Heft 8/9*, 1921, p.53; *LA, Heft 6/7*, 1922, p.47. At some stage in the 1920s, the *Verband oberer Bergbamten* (Association of Senior Mining Officials) also joined VELA. Leo Müffelmann, *'Vela, Vereinigung der leitenden Angestellten'* in Ludwig Heyde, *Internationalen Handwörterbuch des Gewerkschaftswesens*, Berlin, 1931-32, p.1830.


[8] Speier concurs in this figure: Speier, *German White-collar Workers*, p.160. Reinhard Giersch estimates the number of leitende Angestellten in 1918 to have been 100,000: Reinhard Giersch, *'Vela, Vereinigung der leitenden Angestellten in Handel und Industrie e. V. (Vela) 1918-1934'* in Lexicon zur Parteiengeschichte. Die bürgerlichen und kleinbürgerlichen Parteien und Verbände in Deutschland (1789-1945), Band 4, DDR (place
and date unknown. Source: Deutsche Angestellten Gewerkschaft, Bibliothek und Archiv, Hamburg), p.207. See chapter 3 for my own, much higher figure.


[10] In particular ULA (Union der leitenden Angestellten) founded in West Germany in 1951 as an umbrella organisation for leading salaried employees (Spitzenorganisation) and including the temporarily revived VELA (1949-51).


[14] LA, Heft 12, 1921, p.89.


[16] LA, Heft 15, 1921, p.112.


[20] The degree of concern felt by VELA at the prospect of Works’ Councils can be measured by the number of times the issue was addressed (invariably critically and with foreboding) in Der leitende Angestellte between 1919 and 1921. After that, no other article on the Betriebsräte ever appeared again, suggesting that VELA’s fears turned out to be groundless. LA, Heft 1, 1919, pp.5-8; LA, Heft 3, 1919, pp.27-28; LA, Heft 4, 1920, pp.37-38; LA, Heft 18/19, 1920, pp.153-154; LA, Heft 20, 1920, pp.161-163; LA, Heft 22, 1920, pp.178-180; LA, Heft 8/9, 1921, pp.58 &65; LA, Heft 12, 1921, p.91.

[21] Based on a figure of 22,500,000 employees in Germany in 1925, of whom 3,500,000 were white-collar, and one tenth of that were in turn senior managers (350,000). Speier, German White-collar Workers, p.161.


[23] LA, Heft 19, 1921, p.143.


[27] LA, Heft 18/19, 1922, p.117.


[29] LA, Heft 18/19, 1922, pp.117-118.


[34] Organisator, Heft 1, May 1923, pp.1-3.

[50] Gottfried Feder, Das Manifest zur Brechung der Zinsknechtschaft des Geldes, Munich, 1919.
[52] Some of Feder’s ideas can be seen in the earlier works of Georges Sorel (who was also an engineer by training), in particular his emphasis on the dichotomy between ‘useful production’ and ‘financial exploitation’: Georges Sorel, Réflexions sur la violence (written 1908), 11th ed., Paris, 1950, pp.109-120.
[53] Gottfried Feder, Kampf gegen Hochfinanz, Munich, 1933, passim.
[55] A perfect example of Schwerber’s analysis (complete with anti-Semitic trappings, admiring references to Ernst Jünger and praise for Hitler) appeared in Mitteilungsblätter der Vela in August 1933, written by an engineer member: Dr.-Ing. Erich Weissenborn, ‘Die Technik - Hemmnis oder Quell deutscher Arbeit?’ (‘Technology - Hindrance or Wellspring of German Work?’) in MV, Heft 14, 1933, pp.147-151.
[59] LA. Heft 2, 1920, pp.16-20; LA. Heft 7/8, 1920, p.78; LA. Heft 9/10, 1920, p.98; LA. Heft 4, 1921, pp.22-23; LA. Heft 7, 1921, p.47; LA. Heft12, 1921, pp.89-90; LA. Heft 14/15, 1922, pp.94-95; LA. Heft 10, 1929, pp.103-105; LA. Heft 9, 1933, p.91.

1924: VELA and the Wider Upper Middle Class. 
Ideological Developments in Mid-Decade.

The period 1924 to 1928 is often referred to as the golden age of Weimar, when relative economic prosperity went hand-in-hand with relative political stability. The electoral fortunes of the extreme political left and right were at a low ebb, especially as a result of the December 1924 Reichstag election, and they both made little or no headway at the 1928 poll. The bourgeois parties, the DDP, the DVP and the DNVP, in coalition with the Centre Party, formed the mainstay of Weimar governments at this time. Yet, despite surface appearances, this was not a period of consolidation of the middle classes into these established parties, nor was it a time of political quietude. The decline and disintegration of the bourgeois parties was already in train, a process that is confirmed by the results of the 1928 Reichstag election, where the DDP lost nearly half a million votes, the DVP 400,000 and the DNVP almost two million over their 1924 performances. However, this tableau of party-political decay was not synonymous with political apathy. Political interest, awareness and organisation among the middle classes were in fact on the increase - they were just not occurring in the ambit of the established bourgeois parties.

In the case of the leitende Angestellten, the disillusionment with these established parties arose in large part out of their resentment at the lack of representation they had within all three parties, and with their frustration at being unable to achieve what they considered a commensurate presence in the economic policy-making bodies of the nation or their advisory committees. This they blamed on the over-mighty power of the employers who still carried considerable political influence in the perceived dualistic corporate capitalist structure of the Weimar Republic. The friction between managers and entrepreneurs was mirrored in the bourgeois parties themselves. Apart from the fact that the DDP was too politically and socially left-liberal for most senior managers’ taste and that the DNVP was heavily dominated by its agrarian wing, both
the DNVP and the DVP represented the interests of business owners much more than
they did those of salaried employees. The only difference in the business
representation between these latter two parties was not vertical, but horizontal; the
DNVP (from about 1924) provided a political home for slightly more of traditional
heavy industry, while the DVP tended to attract larger numbers from the modern
sectors of light engineering, electrical firms and the chemical industry. No VELA
members were included among the leadership or the Reichstag candidates of either of
these parties. Neither party offered the leitende Angestellten sufficient recognition of
the importance of their strategic position between capital and labour or
acknowledgement of the special Geist which they believed that they possessed.

With the reappearance of Der leitende Angestellte in January 1924, VELA’s
in-house publication continued seamlessly to pursue many of the issues which had
appeared regularly over the previous year in Organisator and in its own pages up
until the end of 1922. Reflecting upon the events of 1923, Dr. Müffelmann, VELA’s
business manager and publisher of the periodical, claimed that geistig life and its
movements had been particularly hard-hit by the crises of the previous year. He said
that the power of the organisations representing the bearers of the spiritual/intellectual
movement had either shrunk or been destroyed; most of them had ‘fallen by the
wayside’ (sind auf der Strecke geblieben). The consequence of this had been to create
a totally egoistic struggle by each individual without concern for the well-being of the
whole. The only solution to this undesirable situation, and the only practicable defence
against such egotistical tendencies, was to build back up the strength of these
organisations. In this way a sense of community feeling and loyalty towards the state
could be restored, both of which were necessary in order to protect the German
nation (presumably against foreign domination, internal disintegration and moral
weakness). Müffelmann gave no named examples of any geistig or beruflich
organisation going to the wall, but he did assert that, despite all the debilitating
hardships of the previous year, VELA had in fact grown in strength over that
period.
This theme of an ongoing attack being perpetrated upon geistig work and geistig workers was continued in the second edition, where the assault was more clearly defined as an attempt to reduce the special position of leitende Angestellten through the use of the labour laws, as a refusal to recognise the special stratum of society (Schicht) which geistig workers occupied, and as an attempt to drag economic leaders down into the ranks of ordinary employees. The oft-repeated analysis, that this attack on the position of upper management was being manifested in attempts to force their pay into line with that of (merely) administrative employees, was trotted out. To prevent this happening, VELA must use all means available to have the leitende Angestellten recognised in law as both a professional organisation and as a special socio-economic group. This would greatly help in raising their remuneration and in resisting the levelling tendencies and power of the ‘mass organisations’ - by which the writer, of course, meant the trade unions, the SPD and the fast-growing KPD.

What is of greater interest and significance in this particular article is one of the first-sighted uses of the term Wirtschaftsführer, or economic leaders, to describe VELA members. This appellation was only one short linguistic step away from the title Wirtschaftsleiter under which VELA gained membership in May, 1933 of Hans Frank’s BNSDJ, the Association of National Socialist German Jurists. In introducing this term, the article went on to stress how important it was to have upper management’s and VELA’s significance for the entire economic life of Germany widely recognised, a process which would be aided if VELA took it upon itself to educate its members in political economy. It was the duty of VELA, as the organisation of Wirtschaftsführer, to help to establish its members not only as leaders in individual firms and businesses, but also as participants in the direction, leadership and policy-making of the German economy as a whole - an essentially political task. The article argued that the selection of leaders was a universal problem for all areas of society and a symptom of the nation’s current weakness. What was most lacking in German politics and economics was the participation and collaboration of the private-enterprise sector’s leading managerial personalities in national policy-formulation. One of the greatest steps towards addressing this dearth of
effective leadership would be achieved by the formation of a group of national economic leaders, drawn largely from within the *leitende Angestellten*, who, at the moment, were almost totally unrepresented in the upper ranks of political parties or within the economic committees advising the government. It should be considered the 'holy duty' (*heilige Pflicht*) of all *leitende Angestellten* to pursue actively the interests and well-being of the nation state, a task which would be most effectively achieved through their organising body, namely VELA. To strengthen the organising body was to reinforce community awareness and the 'sense of state' (*Staatsgefühl*), and out of this would be created the participating citizen (*der mittägige Staatsbürger*).[8]

The concept of the 'active' and 'passive' citizen was one of the guiding ideas of the French Revolution and became a central pillar of European liberalism in the 19th century. It was intrinsically opposed to the idea of universal democracy on the basis that, although all men were created equal, participation in the political life of the nation was to be restricted to those who possessed property and/or education.[9] VELA's 1924 analysis was therefore, in a sense, a reversion to that 19th-century liberal belief before liberalism reluctantly (especially in Germany) endorsed political democracy. Yet VELA was not actually calling for the abolition of Weimar's universal franchise, but instead was proposing a form of 'political-economic citizenship' whereby a small elite of experts (or, to use the organisation's own ideological jargon, a narrow *Schicht* of specially *geistig* men) would take charge of the economic policy of the nation. Rather than advocating the complete snuffing out of political democracy, which was a belief as yet neither widely spread in the German nation nor developed within VELA's *Weltanschauung*, this analysis was nevertheless seeking to circumvent the political system of Weimar Germany by superimposing upon it a coterie of economic decision-makers chosen, not by public election or even by political representatives, but by and from that group itself on the basis of socio-economic position, specialised knowledge and presumed character and personality advantages. In some respects this advocacy of the rule of the able, the capable and the expert was simply a technocratic and meritocratic updating of the
much older elitist belief that only the gentle-born were entitled, or had the inherent capability, to rule. This development in VELA’s thought is a particularly compelling example of how Jeffrey Herf’s concept of Reactionary Modernism applies as fittingly to the very modern sector of senior management in business and industry as it does to his chosen example of Germany’s late 19th- and early 20th-century engineers.

The last mentioned article in Der leitende Angestellte concluded by arguing that the aim of setting up an institution of Wirtschaftsführer to supervise and direct the national economy could only be achieved by political means, and that upper management should get actively involved in politics and become members of various of the existing Weimar parties. Adoption of this political tactic to serve an emerging ideological elitism was stated quite unequivocally:

Erziehung der leitenden Angestellten zu politischer Arbeit, Versuch einer Auslese von Wirtschaftsführern unter den leitenden Angestellten, das ist die eine der neuen Aufgaben der Vela.\[10\]

Educating the leading salaried employees for political work in the attempt to bring about the selection of economic leaders from among the leading salaried employees - that is the most crucial of the new tasks of VELA.

While this article ended by reiterating that VELA was completely politically neutral, the leader article in the May 1924 edition of Der leitende Angestellte nevertheless made recommendations to its readers regarding voting in the forthcoming Reichstag election. It urged members to support only those candidates whose parties stood up for the value and promotion of geistig work and guaranteed the stratum of leitende Angestellten its proper place in the economic organism of Germany. A list of recommended parties which were deemed to fulfil this demand then followed. This list is significant, not so much for those which were omitted (the SPD and the KPD), as for the inclusion, alongside the DDP, the DVP, the DNVP and the Centre Party, of the Deutschvölkische Freiheitspartei (DVFP), or the German Racial Freedom Party.\[11\] This latter party was the north-German equivalent, or ‘sister organisation’,\[12\] of the Bavarian-based NSDAP. Because the NSDAP had been
banned as a political party following the Munich Putsch of November 1923, its members worked closely with, and sometimes within, the DVFP to put up candidates and win support for the Völkisch Social Block, under whose imprimatur both parties contested the May 1924 election, and which won 9% of the national vote.\textsuperscript{13} It appears that the overt anti-Semitism of, and indeed its very centrality to, the völkisch philosophy of the DVFP was in no way a barrier to the recommendation to VELA’s members to vote for this extreme right-wing racist political party.

The previous month’s edition of the periodical showed further evidence of a certain affinity with the NSDAP’s thinking and, indeed, a direct, if somewhat tenuous, link to the Party itself. The substance of the article in question is of some interest in that it displayed the supercilious attitude of the writer towards those deemed of lower socio-economic status, and at the same time suggested a fear of these lower orders and their politics. Briefly, it argued that German society, and in particular its economy, needed a proper and genuine\textit{Arbeitsgemeinschaft}, or community of labour, in order not only to thrive, but actually to survive in a hostile world. The \textit{Zentralarbeitgemeinschaft}\ of commercial and industrial employers and employees, which had come into existence in November 1918, had slowly died and was being usurped by the emergence of more and more organisations of employees such as construction workers, shoemakers, the \textit{Afa-Bund} and the \textit{Gewerkschaftsbund der Angestellten}. These people and their representative bodies, it said, were largely associated with socialism and notions of class struggle. The concept of a true\textit{Arbeitsgemeinschaft} was to be welcomed because it was only through trustful co-operation between people of different abilities and status that Germany could be restored to its proper place in the world economy and that class conflict could be prevented.\textsuperscript{14} It could be argued that this \textit{Arbeitsgemeinschaft} of harmonious inequality and a beneficient class structure was only one linguistic and anti-Semitic small step away from the Nazi\textit{Volksgemeinschaft} described in chapter 2 of this study.

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It might also seem reasonable, at first glance, to suggest that the Italian Fascist concept of corporativism was at work in VELA’s thinking, an idea which had a wide influence in the 1920s, not just in European countries like Primo de Rivera’s Spain, but also in South America. However, Italian corporativism had one fundamentally very different basic assumption from VELA’s socio-economic thinking. Whereas the Italian Fascist model envisaged a horizontal division of society into sectors comprising banking, manufacturing, transport, intellectual and cultural occupations, the merchant marine and so forth, VELA’s visionaries always spoke of a society divided vertically, with those of a similar level of seniority (and hence similar Geistigkeit) uniting in organisations which would then come together as one Schicht. While there were occasional references to Italy and to the position of leitende Angestellten under Mussolini’s regime, especially in the 1930s, and while there were occasional reports from the Soviet Union, Argentina and France (and even some rather positive articles about Henry Ford), these were altogether so few and far between in the pages of Der leitende Angestellte that one is tempted to infer that the periodical and VELA’s members were somewhat insular, and that they thought largely in terms of German traditions and practices.

The shorter and more direct link to the NSDAP in the last-mentioned article was contained in the employment of a lengthy quotation from a newspaper feature written in praise of the concept of an Arbeitsgemeinschaft by Ernst von Borsig. Borsig was a Berlin locomotive and machine manufacturer (and also a Weimar privy councillor and former chairman of the ZAG) who was among the very small number of prominent big businessmen to support and provide funding for Hitler and the Nazi Party before 1933. There was a further connection to Borsig in that the first chairman of the board of directors of VELA, from 1918 until 1921, was Oberingenieur Dr. Arnold, who worked in Borsig’s Berlin firm, while a second management employee, Herr Fischer from the Breslau plant, also became a VELA board member in 1921.
Borsig was also quoted approvingly in the June edition attacking the socialist agenda of much of the trade-union movement and the self-serving nature of its institutionalised leadership. The uneducated masses, he claimed, were oppressing the professional classes and there was an urgent need to free the German economy from interference in areas where trade-union participation was inappropriate to a capitalist economy. However, it is instructive to note that the author of the article, Dr. Müffelmann, went on to summarise and criticise a different piece written by Borsig in which the latter condemned the entire trade-union movement and virtually declared war upon its very existence. Müffelmann took issue with this sweeping hostility on two grounds. The first was that VELA and some other professional organisations were legally trade unions - and were most definitely not supporters of socialism. Secondly, such a stark position simply invited the outbreak of class warfare. If a true Arbeitsgemeinschaft were to be constructed for the nation’s benefit, then one could not afford to alienate such a huge swathe of the population as the trade-union membership of Germany. Indeed, since a community of labour would require organisations and structures to make it function smoothly and harmoniously, the ideal vehicle would therefore be a reformed version of the existing trade unions - limited of course to everyday practical matters at work and no longer in the business of formulating economic policy or business strategies. One could draw the conclusion that Müffelmann’s thinking in this respect was not very far removed from that of certain figures who were later to become powerful figures in the NSDAP, such as Gregor Strasser and Robert Ley. But one could equally draw a different conclusion from concentrating upon his disagreement with Borsig, given that, in May 1933, Dr. Müffelmann was one of the few members of the VELA leadership who was replaced. In his case he was ‘retired’ from the executive board of directors and from his position as business manager of the head offices in Berlin. He also lost his job as editor of Der leitende Angestellte in the otherwise very mild Gleichschaltung which was visited upon VELA in the immediate aftermath of the Nazi Machtübergabe in the spring of 1933. Gregor Strasser, of course, was to lose more than his job over his ideological and political differences with Hitler.
The October 1924 edition of *Der leitende Angestellte* reported upon a conference, held in Bern and Interlaken in Switzerland in September of that year, to which VELA sent representatives. This was the First International Middle-Class Congress, out of which came the setting up of the International Middle-Class Union with Dr. Müffelmann of VELA being elected as one of the two German representatives ‘of the spiritual/intellectual professions' (*der geistigen Berufe*). The article was effusive about the proceedings of this conference, probably because it confirmed and supported many of VELA’s ideas about the separateness of *geistig* workers, offered yet another way of defining just who the *leitende Angestellten* were, and added some high-sounding metaphysical aphorisms to the shrine of VELA’s vanity about its members’ special spirituality and their powers of personality.

The article said that, for the first time ever, it was clearly established that the *geistig* middle classes were not part of the old *Mittelstand* of craftsmen, small businesses and farmers, but belonged to the *Schicht* of the so-called ‘new *Mittelstand*’. This stratum of *geistig* workers consisted of members of the free professions, high state officials and leading salaried employees in trade and industry. The reason for classifying these groups together as part of a larger sociologically-recognisable *Schicht* lay in the fact that they shared three significant characteristic features. Each did not rely upon capital as the basis for making their living, but rather upon the employment of their own skills and abilities through entering into employment or professional contracts; each had undergone special education or training; and each had a special location in the work process. The first factor separated the new *Mittelstand* from the old *Mittelstand* and placed the former within the ranks of the ‘workforce’ (*Arbeiterschaft*). However, the new *Mittelstand* was in turn sharply differentiated from the remainder of the workforce by the other two defining characteristics of this *geistige Schicht*. Each of its three constituent parts had undergone education or training (*Ausbildung*) of an exceptional and advanced nature before they had attained their high and responsible positions. As a result of mastering this intellectual development, which not everyone was capable of doing, they now occupied those special positions in the production or economic processes.
which were qualitatively different from the tasks carried out by the less exalted and non-executive members of the Arbeiterchaft. The work of ordinary employees, both white- and blue-collar, was merely mechanical, whereas the jobs carried out by all those categories within the new Mittelstand were of a creative, executive and geistig nature.\[26\]

Implicit also within this article was an attempt to differentiate this discrete group from the wider bürgerlich, or bourgeois, class which included entrepreneurs and the owners of large-scale capital. Although practically all middle-class and right-wing politics in Weimar Germany upheld the idea of a capitalist society, nevertheless they simultaneously contained significant strands of hostility towards plutocrats, moguls and the power of large capital in general.\[27\] This phenomenon became more marked the further right one went on the political spectrum, the most pronounced invective emerging from the völkisch movements, among which the term ‘bourgeois’ was employed as an insult and condemnation.

Although the article did not express it overtly, it hinted that there was a fourth defining characteristic of the geistige Schicht, which was based upon the possession of inherent character features among its members. It claimed that the work of leitende Angestellten, high state officials and free professionals both required and expressed individual personality. This type of work was not just a means of producing goods or services, but was a source of honour, inner satisfaction and pride. Thus it could only be undertaken and successfully accomplished by people with the appropriate personality who were capable of taking full personal responsibility. An emotional and spiritual (seelisch) attitude towards work was a prerequisite for the occupations of leitende Angestellte, high state official or free professional, and this necessary personal characteristic therefore defined the social type which constituted the new Mittelstand. Put simply, it was arguing that individual possession of Geistigkeit was a necessary prerequisite for being capable of undertaking Geistesarbeit.
How gratifying it must have been for VELA’s members to read of a gathering of other professions and other nationalities agreeing that the *leitende Angestellten* were part of a very select group indeed. Not only were they skilled, intelligent and indispensable, but they were also touched by the spirit of creativity and possessed of a rare strength of character. This had to be the case because, otherwise, they could never have risen to their present levels of authority and achievement, since the filters of *Ausbildung* and the personality requirements of the very jobs themselves would have seen to it that less *geistig* aspirants would not have made it so high. One can easily see close parallels with the Social-Darwinist idea of the survival and prospering of the fittest and with the rationale of the *Führerprinzip* in the logic which is here being used to justify what is effectively a doctrine of elitism. There can be little doubt that the analysis, reported so approvingly in the pages of *Der leitende Angestellte*, was stating that *geistig* workers were intrinsically, inherently and by their very definition ‘superior men’. And that which made them inherently a cut above others was possession of the powers of creativity, will and personality. It went without saying, of course, that these special spiritual gifts would be used selflessly in the interests of the previously-lauded *Arbeitsgemeinschaft* of harmonious class divisions based on innate abilities and character rather than birth or wealth. This self-flattering and idealised *Arbeitsgemeinschaft* vision of a renewed and revitalised German society was really not very far removed from the idealised ideological vision of the NSDAP.

Although very much in an embryonic stage of development, the assertion that some people were spiritually and intellectually above and beyond the rest, and should therefore enjoy differential rights, contained within it some of the raw material needed for the construction of a biological-political ideology based on the ideas of inherent individual superiority which, as was shown in chapter 2, was one of the fundamental underpinnings of the National Socialist *Weltanschauung*. VELA’s emerging thinking also seems, by 1924, to have been espousing several other of the philosophical or metaphysical underpinnings of Nazism, such as a belief in the existence of autonomous external forces which have the power to influence human actions (usually manifesting themselves in individuals as the power of the will), the power of
personality and the power of creativity. VELA was in fact embracing Social Darwinism and the concept of the *Führerprinzip* with all its latent hostility to democracy and equal rights; and it had clearly shown itself to be explicitly nationalist and anti-socialist. What this *Weltanschauung* mainly lacked were the racist dimensions - the notions of racial purity, racial hygiene and racial superiority - which would later turn *Arbeitsgemeinschaft* into *Volksgemeinschaft*. It also, however, lacked very much popular appeal beyond those who stood to benefit from being defined as within the sacred pantheon of *geistig* occupations. Its view of the trade unions transforming themselves into willing partners in the *leitende-Angestellten* vision of a community of labour was very much a case of wishful thinking. All of these aspirations would remain merely distant ambitions until this emerging ideology could attach itself to a viable political movement with a somewhat more inclusive appeal, a wider constituency and a more emotive populist programme than VELA’s narrow agenda.

One particularly important point which this early coincidence of much Nazi and *leitende-Angestellten* thought helps to illustrate is that this section of Germany’s upper middle class, in a similar fashion to doctors, lawyers and engineers, did not go over suddenly to National Socialism in 1933.\[^{[28]}\] Neither were they reluctant converts nor men dragooned into conformity or collaboration by the intimidation of forced *Gleichschaltung*. The emerging *Weltanschauung* of VELA had already, by 1924, adopted and developed many of the concepts which made up the underlying ideological structures of National Socialist thought. The transition to embracing the beliefs and politics of the NSDAP would not have been a dramatic or value-shaking Damascene conversion for many *leitende Angestellten* who had already absorbed and accepted similar views which were being expressed in their own organisation’s journal. From the evidence cited above, it seems plausible, and indeed likely, that the comparable ideas and beliefs of these two organisations developed quite separately and independently yet almost contemporaneously. It could, however, also be the case that Nazi ideas were influencing the development of *leitende Angestellten* thought, although, up until 1924, the pages of *Der leitende Angestellte* contained no mention
of the NSDAP or any of its known members or supporters beyond Borsig. Furthermore, given the as yet small size of the NSDAP and its electoral support, is it not just as likely that the far larger upper middle classes, who, as research has shown, were demonstrating such thinking in areas beyond that of senior management, might also have been helping to shape the views of the Nazi Party? This analysis is pursued further in the later part of this chapter.

The December 1924 edition of Der leitende Angestellte carried a very small and cursory piece on the forthcoming Reichstag election, the second of that year. It stated that it was a patriotic duty to vote, but this time it made no party recommendations at all. Members were simply urged to take part in the campaign in order to draw people's attention to the social and cultural importance of the creative geistig economic classes. It also called on the political parties to dispense with the system of choosing candidates on the basis of interest representation; instead they should be selected according to the criterion of geistig superiority if outstanding personalities were to fill the positions of leadership. This was Der leitende Angestellte's only reference to the election and, since voting took place on the 7th of December, the chances are that many members only read it after the event. It certainly would not have been possible to carry out any of the exhortations it made towards its readers, and it was decidedly far too late to influence the parties' candidate selections.

It could be argued that this was a sign that the great early 1920s' crisis of Weimar Germany was receding, and that, therefore, political action was now seen as less urgent or vital. The election results tend to support this analysis because the parties of the extreme right lost more than half of their May 1924 support, while the KPD vote declined by a third. The so-called middle-class or bourgeois parties all made small gains and, although the SPD made even larger ones, for the next three-and-a-half years the Social Democrats chose to remain aloof from government. It was left to shifting alliances of the Centre Party, the DNVP, the DDP and the DVP to form shaky, fractious and, more often than not, minority cabinets until May 1928. That Germany did not experience serious political crisis during these years is
due in part to the powerful and effective statesmanship of Gustav Stresemann,[31] but even more so to the relative economic stability of these years before an agricultural crisis and the Wall Street Crash subjected the Weimar Republic to a real test of its durability.

A further sign that Germany might be entering a more quiescent political and economic period could also be detected in another aspect of the last issue of Der leitende Angestellte of 1924. While the article on the imminent election was very brief, at least six times as much space was devoted to a feature extolling the virtues and benefits of 'Holiday Rest-Homes for geistig Workers' as the piece was entitled (Erholungsheime für geistige Arbeiter). This was accompanied and interspersed with photographs of large, well-appointed and expensive-looking examples of these hotel-cum-spa-cum-timeshare establishments. Such a layout was an unexpected development for the normally austere pages of Der leitende Angestellte, which had rarely appeared as anything but unbroken oceans of small-sized Gothic script since 1919. The article was contributed by a guest writer, Herr von Kleinau, director of Devo, or the Deutsche Volkserholungsheime, e.GmbH (German People's Holiday Rest-Homes Ltd.). The tone and the contents of this piece demonstrated that either Herr von Kleinau was a most remarkably astute and well-informed salesman with a sales pitch which was unerringly tuned to the Zeitgeist of recent articles in Der leitende Angestellte, or that these ideas had a much wider constituency than merely that of senior managers.

The piece described how the setting-up of these exclusive holiday rest-homes in the mountains and beside lakes was part of a movement dedicated to supporting the creative capacity for work which naturally resided in the German Bürger and which was going to prove to be a very necessary asset for Germany in the uncertain years ahead. The use of the word Bürger did not actually indicate a democratic sensibility towards making this facility available to all citizens, nor the view that all Germans were endowed with the same superior qualities. Bürger was here being used in its somewhat more old-fashioned sense of bourgeois,[32] as the article makes clear when it
talks about providing guests with the wherewithal to relax and recharge their batteries in situations conducive to their social status. Founded and predominantly used by professional people many years before the Great War, the movement had been revived and reconstituted as a co-operative three years previously, and once again it was a place where professors rubbed shoulders with lawyers, free professionals with high state officials. Now it was also being made available to the leitende Angestellten. It was a place where the geistig arbeitende Mittelstand as a whole could take that annual break which all creative people needed and should be provided with. What a gratifying end to the year this must have made for many VELA members who, just a few months previously at an international conference, had heard themselves described and defined as part of that special Schicht which included free professionals and high state officials, and who were now seeing a tangible manifestation of that acceptance in an invitation to mingle with, and become part of, the established (upper) Mittelstand in one of their exclusive social arenas.

The Erholungsheimbewegung, or holiday rest-home movement, was just one example of that vast tapestry of upper-middle-class Vereine which permeated Germany throughout the Weimar years and which has been studied by, among others, Peter Fritzsche and Rudy Koshar. Koshar has shown how, from the late 19th century onwards, the German bourgeoisie increasingly founded and joined a whole range of social organisations encompassing charitable associations, museum clubs, art societies, library circles, choral and concert societies, sporting and leisure clubs, shooting clubs, and a host of others. He argued that these were just as important as overtly political organisations, such as the parties and nationalist leagues, in creating ideological attitudes. Indeed, in the 1920s and early 1930s, participation in these voluntary organisations provided the crucible in which political awareness and opinion-forming were forged under a cloak of expressed 'apoliticism'. This apoliticism was in fact an ideology in itself, one which was hostile to mass parties and democracy, and which was nationalist and virulently anti-socialist; it was not so much a rejection of politics as a rejection of (existing) political parties. At a time when the established bourgeois parties were proving more and more ineffectual, and in
particular after 1924, this nexus of Vereine, with its great overlapping of membership, was the arena where political awareness and interest were heightened. Koshar concluded that the 1920s were in fact a period of intense politicisation of the German bourgeoisie. Thus it was not the case that, as a result of a failed 19th-century bourgeois revolution, a politically immature German upper middle class was naively taken in or swamped by the Nazis in the early 1930s - they had already laid the groundwork for active acceptance of National Socialist ideology over the previous decade-and-a-half. 

Koshar saw a common set of beliefs emerging from this network of Vereine, based upon a widespread hostility to mass parties which focused primarily upon the SPD, the KPD and the Centre Party. These parties, it was believed, created sectional conflicts and damaged the moral fibre of communities and the nation. What was needed was the creation of a ‘non-socialist moral community’. Koshar argued that the notions of community and Volk began increasingly to enter into bourgeois ideology during the First World War, partly as a result of the Burgfrieden (the truce between capital and labour), and partly as a development of liberal, nationalist and anti-Semitic thought. These concepts helped to promote commitment to the idea of the public good, and the Bürgertum in turn saw itself as best equipped, morally and intellectually, to be the representative, upholder and definer of that public good. He saw the period of relative calm and stability in the Weimar Republic, from 1924 to 1929, as the period when political Nazi ideas and influence spread into a wide range of bourgeois organisations by means of individuals in those organisations joining the NSDAP. This allowed the Nazis to build a base within the social and organisational fabric of upper-middle-class society from which they were able to expand dramatically between 1930 and 1933. In addition, from 1929, the advent of economic and social crisis heightened the ‘apoliticism’ of bourgeois society which now, paradoxically, required organised political representation to make any impact. Thus a massive surge of support from this sector of society flowed towards the NSDAP as the only party which had not participated in any Weimar administration and whose advocacy
of a community of the Volk chimed closely with the supposed apolitical belief in a socio-political system which transcended individual interests and class conflict.

Koshar's analysis was essentially concerned with showing how the struggle for ideological hegemony, moral authority and national leadership was taking place at least as much in civil society as it was in the arenas of the state and overt politics. He laid stress upon individuals within these quotidian organisational networks becoming 'joiners' of the NSDAP and subsequently spreading Nazi ideas within the Vereine, whose 'apoliticism' provided the raw material, or else the fertile ground, for acceptance of National Socialist ideology and politics. He emphasised that the informal diffusion of Nazi thought in this manner was just as important to the NSDAP as propaganda, the cult of Hitler or the conspiratorial infiltration of social groups. This interpretation is both plausible and persuasive, and his illustration of the emergence of ideas about the Volk and community, about the Bürgertum being best placed and best equipped to define and promote the national interest, and about the divisiveness of party politics and selfish interest groups, all mirror developments in VELA's thinking shown to have been happening in the pages of Der leitende Angestellte even before 1925.

Where the interpretation of this study differs from that of Koshar is in asserting that the beliefs and ideology which were developing among upper management, and indeed within all the organisations he cites, were not just the product of ideas imported back into the Vereine by members who had joined the NSDAP, but were also being fashioned independently. The 'apoliticism', which Koshar described as permeating Weimar bourgeois social organisations, very largely came from within and did not require direct NSDAP input in order to develop into a widely-shared and widely-diffused upper-middle-class ideology which was converging with many aspects of National Socialist doctrine. To a great degree both Weltanschauungen were autonomous yet congruent phenomena.
This is not to deny that there must certainly have been some contact between the vast spider’s web of Vereine across Germany and the Nazi Party of the 1920s, but once again it should be emphasised that this was a two-way street. The overwhelming majority of Nazi members and leaders (with the exception of some individuals, such as Baldur von Schirach who took up a full-time paid job in the Party in his teens), had lives, jobs and careers before and beyond the NSDAP, from whence came many of their formative views on the nature of society and politics. It must also be borne in mind that the NSDAP was a very young and recently-formed organisation. It therefore seems reasonable to conclude that, for many people, their ‘Nazi’ beliefs predated not only their contact with, and membership of, the Party, but in some cases may also have preceded the very existence of the NSDAP. The pre-1933 Party, and even more so the NSDAP of the early and middle 1920s, was much more a place where those who had already become inclined towards a belief in a völkisch non-democratic society could find a political home, than it was a proselytising deus ex machina revealing a new, enlightening and inspiring Weltanschauung. National Socialism was not an external or extraneous force which was visited upon the German people, but a derivative ideology (albeit a coherent one) bundling together many ideas and tendencies whose roots lay in the late 19th century or even earlier. Koshar argued that one should not underestimate the uniqueness and originality of National Socialism, but, powerful, persuasive, choate and deadly logical though it certainly was, claiming that this ideology was unique or original tends to obscure the development of similar strands of thinking outside of the realm of the Party. It was not just within the NSDAP that there emerged a world-view which would ultimately support and underpin a ruthless, undemocratic, and ultimately barbaric politics. Without this underlying world-view having already achieved a wide currency, if not quite a hegemony, across large areas of German society, the NSDAP could never have achieved the popular support it began to accrue from about 1929 onwards.

One of the most important areas for these ideas to take root in was that level of society from which so much opinion-forming flowed - the upper middle classes. I would argue that, although Koshar did not use his well-researched materials to
promote this interpretation of autonomous yet congruent and convergent ideological
development, nevertheless such a thesis is supported by his evidence and
observations. This emerges not just through his exploration of the concept of
'apoliticism', but equally significantly by one of his most crucial assertions - that it
was much more a case of Vereine members joining the NSDAP than of Nazi Party
members joining these organisations in order to infiltrate and subvert them.\(^{[45]}\) This is
important for the purposes of this study for three reasons. Firstly, Koshar
demonstrated clearly that political and social life were not radically separated in
Weimar Germany as many historians of the two decades preceding the publication of
his work had claimed (in agreement with Max Weber's assessment of an unpolitical or
politically immature German bourgeoisie\(^{[46]}\)). Secondly, evidence of an ideology
similar to that being propounded by VELA existing within the much broader and
larger context of the upper-middle-class Vereine milieu adds corroboration to the
wider thesis that the upper middle class of Germany was much more deeply complicit,
and indeed more instrumental, in promoting and shaping the phenomenon of National
Socialism than was believed until recently. Thirdly, in the absence of any evidence of
how many VELA members were enrolled in the NSDAP, it is doubly important to
find support for the argument that joining the NSDAP was much more likely to be a
last step than a first step in the process of believing in its ideology or adopting its
underlying world-view.

Peter Fritzsche also saw an upsurge in bourgeois political activity in the 1920s.
He argued that this political fervour was not just the result of periodic crises, nor was
it merely protest politics; rather it was underpinned by deep and emotional convictions
about what made for a good and harmonious society. Terms such as Volksstaat,
Volkspartei and Volksgemeinschaft were bandied about a great deal at this time, and
Fritzsche saw this as an expression of a desire for both social inclusion and political
exclusion - in other words, while the longed-for united national community was to
include the industrial working class, it rejected Marxists as beyond the pale. He
asserted that this intense political phenomenon, which he refered to as 'populism,'
was quite separate from National Socialism throughout the 1920s despite their many
similarities. He further stressed that the vocabulary of decay, which is commonly used to describe the Weimar Republic, could easily and misleadingly be elided into a description of the political activism of the bourgeoisie. This would give a false impression of both the vitality of the bourgeois community and its members' political awareness and involvement.\textsuperscript{147} 'Political fragmentation was not a reliable register of political debility.'\textsuperscript{148} Not only was bourgeois social life not incohesive, alienated or disintegrating, but the breakthrough by the NSDAP actually required prior populist political mobilisation which, to a large extent, was occurring within the nexus of social organisations - the Vereine. He firmly rejected that interpretation which saw the coming to power of the Nazis as the outcome of the cumulative dissolution of the bourgeois communities, an interpretation largely drawn from the observation that the principal bourgeois political parties fractured and declined so dramatically during this period.\textsuperscript{149}

Fritzsche further argued that Weimar middle-class politics were much more purposive and rational, and far less fraught with the anxieties of 'pre-modern tendency theories' than was once believed.\textsuperscript{150} 'German populism' and its later adherence to National Socialism, at least amongst the great majority of the bourgeoisie, was not an insurrection against the modern world, but was a struggle for a political voice.\textsuperscript{151} Although this popular mobilisation was ultimately profoundly undemocratic and led to the destruction of the Republic, it was, nevertheless, also a phenomenon of political self-reliance and public activism resisting traditional deference and patronage, and it could therefore be interpreted as part of a democratic upsurge.\textsuperscript{152} Although he did not explore why the democratic element of this process of politicisation was perverted and finally abandoned, it is implicit in much of his observation and analysis. The movement was markedly anti-Marxist and exuded an overheated fear of social democracy which gradually led it to distrust not just the perceived ineffectiveness of party politics, but also the democratic system itself. This system allowed far too much influence from the parties of the left whose class-struggle analyses and rhetoric stood fundamentally opposed to the popular and populist concepts of Volksstaat and Volksgemeinschaft.\textsuperscript{153} Fritzsche also asserted that there was a constant tone of moral
righteousness permeating Weimar bourgeois politics, it has been shown, permeated the thinking and self-definition of VELA and its members up to 1925. The previous chapter of this study illustrated how that kind of thinking very quickly developed into self-righteousness, leading to a belief in the geistig and moral superiority of leitende Angestellten. This, coupled with a conviction that they knew what was in the best interests of the nation, contrived to create the belief that what benefited them benefited everybody. In such an analysis, universal democracy came to be seen as an impediment to the greater good.

The initial acceptance of democracy by large swathes of the upper middle class in the first years of the Weimar Republic can be seen as trying out a weapon in the quest to find a ‘third way’ between socialism and capitalism. It certainly proved effective in helping the growing upper middle class to wrest much power away from the old elites of notables in the area of local politics and even to a degree within the bourgeois parties themselves. However, while hostility to socialism verged on the paranoid, opposition to capitalism, big-business owners and overpowerful local notables rarely rose above the level of resentment. Relatively quickly this lukewarm anti-capitalism was effectively abandoned in favour of defending the socio-economic status quo against the exaggerated threats of a levelling from below. Power and influence, reward and status, were to be achieved by organising amongst themselves within their economic associations and social Vereine. Fritzsche argued that these arenas were much more conducive to ‘Bürger integration’ than the bourgeois political parties. He also stressed that it was important not to see the dissipation apparent in the interest-group political parties as inimical to, or destructive of, bourgeois civic unity. The German Bürger had multiple identities as members of many Vereine which not only shared memberships, but also jointly organised events such as the various annual patriotic festivals. Weimar’s bourgeois social and economic groups were not self-contained exclusive organisations seeking either to benefit at the expense of each other or to secede from wider social or civic life. They were co-operative with one another and shared basic dispositions about the virtues of public activism and
involvement in political mobilisation, and about the compatibility of these activities with their own sectional interest-representation.[56]

It was actually within the Vereine that the practices of democracy were at their most secure. Almost all of the Vereine, whether social or economic, had written constitutions, annual conferences and one-member/one-vote electoral and assembly resolutions' systems. In the overtly political realm of the nation, however, their members' commitment to universal democracy was far less certain. It is a moot point whether the significant number of upper-middle-class voters who deserted the Weimar liberal and/or bourgeois parties to go over to the Nazis in the Reichstag elections of September 1930 and July 1932, did so in spite of, or because of, the NSDAP's hostility to political democracy. The suggestion in chapter 2 of this study that the 'can-do' leadership appeal of the NSDAP prevailed in the minds and calculations of the Bürgertum over the possibility that the Nazi Party might abolish universal democracy once it came to power, supports the idea, in the light of the vibrant activity and internal democratic workings of the Vereine, that the upper middle classes of Weimar Germany might have been happiest with the 19th-century liberal ideal of a limited political franchise.

Various other conclusions reached by Fritzsche support the contention of this study that an ideological substructure, which was compatible with many, if not most, of the doctrinal foundations of the NSDAP, had already developed by 1924 within VELA and probably within a very large proportion of the entire upper middle class. Since Fritzsche was dealing with the Bürgertum as a whole, his evidence and analysis is most useful for corroborating the larger extrapolated theory. He argued that, despite the growing proliferation of divisions of interests and of subsequent organisations being formed in order to represent them, nevertheless there was a popular desire for unity and fraternity. This actually constitutes a good description of the apparent aims of VELA, which was set up to promote the interests and welfare of a discrete group and yet supported the idea of an Arbeitsgemeinschaft. He also agreed that the crucial appeal of the NSDAP was not one of anti-modernism, but its
propagation of a forward-looking völkisch utopian ideal. Finally, he asserted that the Nazis did not set the agenda of Bürgertum political and ideological pursuits, but instead encouraged the heightening politicisation of ‘burgher dissidence’ by participating in and supporting their particular concerns, aspirations and demands.\[57\]

Allowing for the differences of terminology and for the subsequent small variances in the socio-economic compositions of the groups being studied by Koshar, Fritzsche and this work, namely the bourgeoisie, the Bürgertum and the upper middle class, four very distinctive and significant areas of agreement emerge from the evidence and examples of the first two authors’ works to complement that presented in this thesis on the development of senior-management thinking contained within the pages of Der leitende Angestellte, and to help expand the emerging analysis so that it encompasses the wider upper middle classes as a whole. Firstly, whether termed apoliticism, populism or liberal elitism, a highly politicised and increasingly undemocratic Weltanschauung was emerging, essentially autonomously, among the classes not far below the socio-economic summit of Weimar Germany. Secondly, this Weltanschauung was not only motivated by selfish power-seeking, but was infused with visions of the Volk, the Volkstaat and the Arbeitsgemeinschaft which were anti-socialist, nationalist and paternalist. Thirdly, this world-view was compatible, contemporaneous, congruent and convergent with National Socialism. And fourthly, this ideological template had already crystallised by as early as 1924, which therefore made the transition of the respectable upper middle classes to supporting and embracing the NSDAP less dramatic or difficult; indeed, without this early politicisation of these classes, the mushrooming of the Nazi Party and its meteoric electoral rise could not have begun to happen as the decade came to a close.

[16] Such fundamentally different basic assumptions gave rise to radically different models of society and economy. The NSDAP conferred a degree of lip-service on the ideas of separate estates, or *Stände*, along the lines of the Italian Fascist model of corporativism of horizontal trade and sector divisions, while organisations such as the Farmers’ Front were indeed set up. However, the creation of the much larger Labour Front amounted to a quite clearly vertical division, where little attempt was made to differentiate between, say, manufacturing and transport, or shipping and the retail trade. The reality of the Third Reich, underpinned by the imposition of the *Führerprinzip* as the organising principle of all social, economic and political structures, was a society which bore far more resemblance to the hierarchical model proposed by VELA’s writers. Because of the underlying ideological emphasis upon vertical division as its guiding principle, and despite its polyocratic structure, its overlapping jurisdictions and its bitter feuding rivalries, the Nazi regime exerted greater control more effectively over Germany than did the would-be totalitarian regime of Mussolini over the less rigidly stratified Italian nation.


[22] LA, Heft 8/9, 1921, p.56.


[29] LA, Heft 12, 1924, p.89.


[31] Kershaw, Hitler, pp.257 & 311; Bracher, German Dictatorship, pp.163-164.


[33] LA, Heft 12, 1924, pp.89-90.


[38] Koschar, Social Life, pp.6-12 & 278-286.


[43] A summary of this argument is to be found in Rudy Koschar, 'Contentious Citadel: 226
[47] Fritzsche, Rehearsals for Fascism, pp.5-11.
[51] Fritzsche, Rehearsals for Fascism, p.54.
[52] Fritzsche, Rehearsals for Fascism, pp.6 & 21-22; see also Fritzsche, 'Weimar Populism', p.303.
[57] Fritzsche, Rehearsals for Fascism, pp.230-236.
Chapter 7

VELA 1925-1928: Ideological Consolidation and Political Rumblings

Over the course of the four years between 1925 and the end of 1928, Der leitende Angestellte continued to explore and develop a set of ideas, beliefs and political views which, as has been shown, had already become well established in the immediately preceding years. These can be summarised and categorised as the pursuit of five interrelated themes. The first was the continuing claim on behalf of the leitende Angestellten that they possessed a superior, inherent Geistigkeit which infused them with enhanced character, personality, strength of will, intelligence and creativity; these qualities further endowed them with a high capacity for performance and achievement, or Leistung. The second was the justification, drawn partly from that claim, for differential rewards for such outstanding people; they were entitled to such remuneration, not only because their work was inherently more valuable and productive, but because fostering and nourishing their skills through greater incentives was of benefit to the entire German nation. This nationalistic belief and justification was paralleled and complemented by a third concern, the paternal (and utopian) concept of the Volk - a desire for an inclusive community expressed as an Arbeitsgemeinschaft or as a Volksgemeinschaft.

The fourth theme was the promotion of the concept that, because of their unique and disinterested location in the economic system between capital and labour, leitende Angestellten comprised part of a special Schicht of geistig occupations, which also included the free professions and high state officials. These claims to uniqueness and superiority were further leading to the assertion that different abilities should confer not just differential financial rewards, but also differential rights upon this Schicht, an idea which still stopped short of a call to abolish universal political democracy, but
which nevertheless was heading slowly in that ultimate direction. This produced the fifth theme, which was the rightful position and power which leitende Angestellten should occupy in German society, and the need for VELA members to become knowledgeable of, and active in, politics in order to achieve what amounted to a claim to a statutory position of high-level influence upon the shaping and direction of national economic policy. These five concerns were supplemented and augmented by an enduring anti-socialism, a strong sense of nationalism and an increasing disillusionment with the policies, politics and compromises of the existing bourgeois parties. The ugly head of anti-Semitism was nowhere raised in the pages of Der leitende Angestellte between 1925 and 1928, but neither was it ever condemned, criticised or even discussed.

To avoid overloading this chapter with summaries of the many articles which appeared on the above themes over these four years, and which contained a tremendous amount of repetitious analysis and commentary, this section largely lists the frequency of these themes, only focusing upon their content if it produced any new developments, introduced new concepts or showed a direct affinity or connection with the NSDAP. The earlier years of this period are more important for their ideological content, since it is a basic contention of this thesis that the foundation and framework of VELA’s belief system were laid down long before the crisis of the Great Depression hit Germany. The later years were of more significance for an upsurge in the political thinking of the organisation of senior managers.

In the 1925 editions of Der leitende Angestellte, which, in May of that year began to appear twice monthly, the theme of Geistigkeit and the virtues of personality, creativity, will, leadership and Leistung were explored at length in eight major articles. Two new claims were added to the existing analysis, the first being that leitende Angestellten had a greater capacity for, and willingness to, work than lesser non-managerial employees because of the potentially perfect dovetailing of their innate abilities and the demands of their type of occupation, a process which, in turn, created unrivalled energy and achievement.
An even more novel and significant development was one which reinforced the elitist self-perception of VELA members, bolstered their claim to preference on the grounds of benefiting the entire nation, and deepened their belief in the profound qualities of that special Schicht they claimed to occupy. At the 1925 Annual General Meeting of VELA, Dr. Schaefer offered the suggestion that the VELA-Bewegung should be considered as a cultural movement of the highest order. This, he said, was on account of the similarity between artistic (künstlerisch) creativity and the Geistigkeit of leitende Angestellten, and also because the cultural levels of any society or nation were directly correlated to the strength, performance and vitality of its economy, all of which were dependent upon the performance of its senior business managers. The all-too-apparent cultural and moral crisis of the Weimar Republic, he claimed, had arisen partly as a result of the Versailles Treaty and the Dawes Agreement which had depredated the German economy; but this unhappy situation was not just the outcome of external oppression. There was an inherent and persistent unproductiveness in the German economy, stemming in very large measure from a failure to encourage the blossoming of the talents of its geistige Schicht or to harness those talents for the benefit of a nation which was bereft of effective leadership in every sphere and suffering from a consequent narrowing of its cultural life. This article marked the start of a process in VELA of identifying leitende Angestellten as ‘culture-bearers’ and integrating that self-important belief into its elitist Weltanschaunung over the next few years.

At least five substantive articles dealt with the ideological issues of differential rewards during 1925, although many others discussed the levels of pay and condemned the iniquity of imposing fixed pay-scales on such a senior and productive sector of the economy. To the claim that upper management was justified in demanding extra incentives in the form of bonuses and higher salary increases than could be granted to the rest of the labour force, was now added the argument that the efficiency (Leistungsfähigkeit) of leitende Angestellten was such that the benefit to the nation would be disproportionate to the costs. Efficiency, it was claimed, related
directly to how little or how much *geistig* employees were relieved of having to think about their material comforts and financial well-being. An article in the February edition tackled the dimension of political philosophy head-on, arguing that the concept of equality as a positive good was drawn from misconceived and vague ideas of natural rights. The course of human progress, however, had been characterised by the leaving behind of the inefficient equality of primitive societies for an ever-increasing diversification and a productive inequality of economic and social functions among individuals and groups. The case for social differentiation and evaluation of the individual’s worth was still valid, but should ideally be based on personal *Leistung*. This advocacy of inequality, argued the author, had nothing to do with individualistic egotism or social injustice, but was a deep and intrinsic social and cultural necessity. Indeed, it took courage, in an age of mass organisations and the power of capital, for the minority group of the *geistige Schicht* to express these ideas, when the combined tendencies of *Nivellierung* and standardisation were conspiring to destroy the freedom of the independent leadership personality.

Although the thinking expressed in *Der leitende Angestellte* appeared to include amassing a great deal of ideological fuel for the concept of a meritocratic system, other principles and interests inevitably intruded to upset the perfection and self-containment of such a theoretical construct. In the second July edition, a piece on the cultural and social politics of VELA asserted that Germany’s trade and industry had suffered from a long history of nepotism, and that many of those who currently exercised power as the entrepreneurs of large businesses were third-generation owners who did not have the drive and talent of their grandfathers. A new influx of blood from below, or from outside these closed and privileged circles, was needed to reinvigorate both the economy and society. Later, however, in the same article, the argument was made that a refining and improving of leadership qualities could be passed on through the generations. If senior management were not to receive adequate remuneration, then today’s *leitende Angestellten* would not be able to provide their children with the appropriate standard of living or the education required for this process to happen, and this could lead only to social degeneration.
It is scarcely surprising to hear a defence of family rights coming from such a socially conservative, or even archetypically bourgeois, group as well-paid, well-educated upper managers. Giving your children a headstart in life over the less privileged may be considered a normal and commonplace practice, but it is, nevertheless, also a form of nepotism which hinders any future infusion of ‘new blood’. What this somewhat dishonest, or at least contradictory, thinking was actually advocating was the replacement of one elite by another, and the subsequent entrenchment of the new one. This is a phenomenon which actually began to emerge in the NSDAP in the later 1930s among the *alte Kämpfer*, or old fighting comrades, and which developed into a full-blown reality among the higher-ranking members of the Communist Party of the Soviet Union in the course of that party’s much longer hold on power. There is also more than a hint of the debate which went on within the Nazi Party on whether personality, character and all those strengths and virtues which went to making up a good National Socialist were only present in a minority of German people, or whether education and propaganda could instil them in all Aryans; did we live in a world which was fully biologically deterministic, or was social engineering through indoctrination a more realistic perspective?

The issue of the *Volk* and a national community appears to have been aired on many occasions at the 1925 Annual General Assembly of VELA, since most references to it in the pages of *Der leitende Angestellte* occurred in the May and June editions, which were largely devoted to reporting on the conference. Indeed, in anticipation of that topic being discussed at length, Dr. Müffelmann wrote an article, which appeared about a fortnight before the assembly, in which he quoted from a speech given by Dr. Pieper, who was described as the spiritual leader of the Christian trade union movement. Dr. Pieper had said that it was important to recognise that *Berufarbeit* was not self-seeking, egotistical or exploitative, in the way that purely commercial, acquisitive, capitalist activity was, but constituted work of the highest service to the *Volksgemeinschaft*. Dr. Müffelmann concurred with this view, stressing how important it was for VELA members working in the commercially-competitive...
world to be seen and appreciated as practitioners of that kind of selfless work. He concluded that the spiritualisation of economic life was necessary for creating the foundations of a genuine Arbeitsgemeinschaft. This process, and not the horse-trading tactics of Weimar political parties, their leaders and their interest-backers, was in fact the only way that a Volksgemeinschaft could ultimately emerge. He urged VELA members to make the creation of such a national community a central concern of the forthcoming assembly.\(^{[12]}\) The question of what this as yet vaguely defined, yet increasingly employed, concept of a Volksgemeinschaft comprised, and how close it was to the Nazi vision, was partially addressed during the 1925 Hauptversammlung. Two reports on the proceedings referred to the creation of a complete Volksgemeinschaft as a ‘patriotic task’ which went beyond the boundaries of the Reich, specifically including unity with Austria as a requirement of this goal.\(^{[13]}\) As yet the racial and anti-Semitic elements, so central to National Socialism’s understanding of the concept, were absent in VELA, or, at least, absent from its published pronouncements.

Five articles, dealing with the theme of a special Schicht, and with the coming together of leitende Angestellten, free professionals and high state officials within that layer, appeared during 1925, and it is clear that these topics were raised frequently at the annual conference.\(^{[14]}\) The introduction of the concept of Berufsrarbeit was a useful tool for the discussion and promotion of the idea of a new social and sociological category, which, claimed one article, was now widely recognised and referred to in books, doctoral theses and legal contracts; it was even mentioned in the recent Washington Agreement on International Trade.\(^{[15]}\) Several other newly-minted or recently-deployed terms were also heard during the annual general assembly’s proceedings, the most significant of which were references to their Schicht as the new Mittelstand, the geistige Mittelstand, the Geistesarbeiterbewegung (intellectual workers’ movement) and the Einheitsfront der Geistesarbeiter (united front of the intellectual workers).\(^{[16]}\) These were terms which, like Berufsrarbeit, show that discussion of the theme was so well established and mature that it was beginning to
produce its own widely-comprehended terminology and shorthand references to broader concepts.

The final theme, that of the political and socio-economic roles that *leitende Angestellten*, VELA and the wider *geistige Schicht* should play in Germany, was as frequently discussed as the theme of *Geistigkeit*, appearing in at least nine articles over the course of the year.\[17\] This was, however, the least developed of all five themes, the thrust of the analyses being more that of criticising and bemoaning current political-economic conditions than of offering practical programmes, policies or political affiliation. There were many assertions about the growing importance of leadership in an age of increasing specialisation and amalgamation in the modern German economy, of the threats to *geistige Arbeit* posed by standardisation, bureaucratisation and *Nivellierung*, and of the lack of any specific government programme to promote the creative sectors of the economy and of society. This last complaint, it was argued in one article, was partly the outcome of the party-political interest-trading of coalition government, and partly the result of all the political parties being full of representatives of the working classes. This applied not only to the SPD and KPD, but also to every one of the bourgeois parties. Additionally, the latter parties also included representatives of business owners, agricultural interests and the commercial middle class among their Reichstag deputies, yet not a single member of the especially important *geistige Mittelstand* had been elected or even put up as a candidate by any of these so-called middle-class parties at the last national election.\[18\] There was growing criticism of the current political-economic situation, and mounting disillusionment with the established parties of the Weimar Republic, but beyond vague, unformulated demands for increased power and influence for the *geistige Schicht*, there was as yet no clear political analysis, far less any specific party-political inclination.

In the 1926 editions of *Der leitende Angestellte*, the theme of *Geistigkeit* was as popular as ever. It appeared in nine major articles, yet little new was added to VELA’s vainglorious analysis of its members’ innate character and abilities beyond
repetition and amplification.[19] One development, however, did emerge - the assertion that it was not the job of everyone, or more specifically not the job of the ‘masses’, to create a united society. Nor should they concern themselves with issues such as the proper relationship of state and society, since the tasks of conceptualising such important questions and acting upon the resultant vision were ones that should be left to leaders in all the various parts of German society.[20] The barely-concealed assertion in that statement was that the masses were not in possession of the intellectual, and perhaps even the spiritual, capacity required for such thinking and such action.

The second theme, that of differential rewards, featured in only three analytical articles, although the constant refrain that leitende Angestellten were undervalued appeared almost too often to be counted. The first of these articles took the line that the introduction of scientific business management (Taylorism) had led to the cutting of production costs and the raising of workers’ productivity and output. Since senior managers had responsibility for designing and implementing such systems, it was essentially their skills and their value-adding activities which created the improved efficiency; consequently they should be the ones to reap the rewards.[21] This was part of that favourite VELA assertion that capital and labour were of little worth without the input of creativity, personality and leadership, and that these qualities increasingly lay with upper management. The second article on this theme stressed the view, first mentioned in the previous year, that many third- and fourth-generation entrepreneurs lacked the dynamism of their ancestors and predecessors. They had become conservative, timid, resistant to new ideas, and ensnared by the lures of profit and materialism. Today’s managerial sector, by contrast, had the potential to emulate the innovative, forward-looking entrepreneurs who had given such a boost to Germany’s prosperity and international standing in the second half of the 19th century. If they were properly recognised and rewarded, then their talents would blossom. The nation too, it almost went without saying, would benefit from an incentive system that encouraged such creative activity.[22] The third article demanded an end to the inclusion of leitende Angestellten in the category of those subject to the government’s restrictive incomes policy. Apart from the unwelcome economic levelling effect which
this caused, the policy was founded upon a fundamentally flawed notion of reward. Assessment of income should be based upon the evaluation of personality.\textsuperscript{[23]}

The theme of community and the \textit{Volk} was the least explored in 1926, although it was woven into an important piece written by Dr Zellien, which is examined in detail below.\textsuperscript{[24]}

Four articles dealt with the concept of a special \textit{Schicht},\textsuperscript{[25]} while the increasingly commonplace use of the terms \textit{geistige Arbeit} and \textit{geistige Arbeiter} suggests that the idea of a spiritual/intellectual layer, which was wider than just that of the community of \textit{leitende Angestellten}, was an accepted and firmly-established part of VELA thinking. But the organisation's members also had cause to believe that this concept was more than just an abstract notion. VELA was an affiliated member of two broader upper-middle-class associations which held assemblies in Berlin in 1926. The first was the Intellectual Salaried Workers of Germany (\textit{die angestellten Geistesarbeiter Deutschlands}), whose conference VELA organised and hosted. This assembly issued a proclamation of grievances and demands which \textit{Der leitende Angestellte} published in full. Among these was the claim that the working class, the lower-level white-collar workers and the free trade unions were being granted preferential treatment by their representation on bodies such as the Works' Councils and government social-law advisory committees, privileges not extended to senior managers. To rectify this anomalous and unfair situation, a special department should be set up in the Labour Ministry to deal specifically with the concerns of \textit{geistig} employees.\textsuperscript{[26]}

Under the title 'Eine Kundgebung für deutsche Geisteskultur' (‘A Rally for German Intellectual Culture’), \textit{Der leitende Angestellte} reported that more than 40 organisations of the \textit{geistig} professions, who were part of the \textit{Schutzkartell deutscher Geistesarbeiter} (Protective Cartel of German Intellectual Workers), had gathered in the Reichstag to discuss the connection between economic crisis and the perceived crisis of culture gripping Weimar Germany, that sub-theme which had first appeared a
year earlier. The importance and status of this gathering was attested to by the presence of Chancellor Luther to deliver an address. Among those rubbing shoulders with the VELA delegates were architects, engineers, university professors, economists, senior state officials, publishers, journalists and editors, authors, artists and, perhaps most unexpectedly, representatives of the Deutsche Offizierbund (Association of German Military Officers)\cite{27}. Many of those addressing the assembly spoke about the economic plight of their occupations and of fellow professionals, whom they referred to collectively as the Kulturschicht (cultural stratum), and drew the conclusion that Weimar's cultural disintegration, as they saw it, was connected to their own distress since they were the bearers of German Geisteskultur, the kernel of the nation, as one delegate put it. The repeated emphasis on the reality and importance of a geistige Schicht for Germany's restoration to greatness which emanated from this conference, demonstrated that VELA was not alone in pursuing this thematic concept and aspiration\cite{29}.

Five months later in a radio broadcast, Dr Otto Everling, chairman of the Schutzkartei, spoke about the coming together of a Kulturschicht which he specifically described as comprising the free professions, senior state officials and leitende Angestellten, confirming VELA's own definition and delineation. This stratum had the will to restore the Fatherland, he said, and he was encouraged by the growth of its organisations which, a few years previously, could not afford postage stamps, yet were now producing periodicals, staging large conferences and employing full-time staff. They were becoming organised and militant, and building up inter-organisational connections, a sure sign of the vibrancy of a 'new Mittelstand',\cite{29} that term first employed just two years earlier by Dr Müffelmann of VELA. Everling's description of the increasingly self-confident activities of the so-called Kulturschicht tends to corroborate the analyses of Koshar and Fritzsche concerning the upsurge of political interest, activity and militancy which was taking place within the upper-middle-class Vereine in the mid-1920s (see chapter 6).
As in 1925, the theme of the political and socio-economic roles that *leitende Angestellten*, VELA and the broader *geistige Schicht* should play in Germany was widely discussed in *Der leitende Angestellte*. Seven articles dealt with this issue in depth. Although no party-political preferences emerged, there was a definite firming-up of VELA’s political analysis. This analysis argued that politics were not superfluous to economics, and that, indeed, without a strong state, a strong economy could not emerge. Social order required the firm hand of the political state, while economic decision-making could not be left to a blind-faith belief in the beneficial effects of liberal *laissez-faire* capitalism. This had merely resulted in the growth of anonymous share capitalism, cartels and monopolies, placing more and more concentrated power in the hands of fewer big-business owners, who were enslaved and driven by the demands of profit. The German economy was fast becoming the plaything of the stock exchange. This was bad for the *leitende Angestellten*, and bad for the nation. It was time for a new social order to emerge, time for rational men with insight into the true requirements of a *Volksgemeinschaft* in this modern industrialised age, to take control of the political direction and government of Germany. A different sort of leadership from the party-political interest-merchants representing grasping financiers, stock-exchange speculators and the short-sighted greedy proletariat, was essential. Men with specialised technical, technological and managerial skills, men devoid of materialism and egotism, men of personality and morality, men of culture - these were the ideal people for fighting the combined and corrosive might of capital and labour. To this end VELA must educate its members to political awareness, proselytise its socio-political message, attract new members, and encourage all existing ones to become as involved as possible in *Vereinsleben* (the social network of upper-middle-class organisations and clubs).

The party affiliations of the VELA writers who contributed to the above political-economic analysis are not known, but it would seem highly unlikely that many of them would have been members of the small Nazi Party in 1926. However, it is known with certainty that Dr Zellien, writer of an article published in December, had been a long-standing NSDAP member when he was elevated to the nazified
leadership of VELA during the process of Gleichschaltung in 1933 (see chapter 9). He may or may not have already joined the Party by 1926, but it is instructive to examine in some detail the contents of an article written by someone who was, at the very least, a budding Nazi, to see how closely he agreed with the analysis of his fellow-VELA contributors. In this lengthy piece, Zellien dealt mostly with socio-political issues, but he also touched upon every one of the other four themes pursued by VELA, drawing them together into an ideological synthesis which was not only extremely authoritarian, but reeked of self-righteousness, bile, hostility and a slightly paranoid sense of being conspired against.

Entitled ‘The Oppression of the Salaried Spiritual/Intellectual Worker in Economic and Social Politics’, the article began by saying that governmental social policy should aim to protect and support the spiritual, economic and physical welfare of every citizen, and should ensure the participation of the entire Volk in the cultural riches and activities of the nation. It should not be designed only for the exclusive support of certain social classes, but should be part of a proper Volksgemeinschaft. The Weimar state was at present weighted in favour of, and dominated by, the labouring classes and the non-managerial white-collar workers as a direct consequence of the misguided attempt to construct both political and economic democracy. These classes, whose functions and activities were merely that of carrying out orders (ausführende Tätigkeit), had come to gain a stranglehold on German society and economy through their mass organisations, the trade unions. The net result of this surfeit of democracy was to hinder effectiveness in every area which it permeated - political, economic and social. The sheer power of the mass organisations amounted to a parallel government contesting power with the one ostensibly ruling from the Reichstag - which, in any case, was full of people with little insight or resolute will. Thus post-war social policy had been completely biased and one-sided, resulting in a lack of recognition of the special skills, as well as of their strategic location between capital and labour, of the leitende Angestellten. But more than that, this had led to actual oppression of the classes of geistig workers.
Weak-willed government also permitted monopolies to exist at the other end of
the socio-economic spectrum among the big businesses of Weimar Germany.
Consequently, the nation had been carved up by a duopoly of employers and mass
trade unions who completely dominated the Reichstag, the political parties and the
government bureaucracy. However, just when it seemed that Zellien was about to
embark upon a critique of capitalism, or at the very least of the perceived corporatism
of the Weimar Republic, he veered back again to attack his real target, the true object
of his spleen, the trade unions and the uncultured masses. He argued that the mass
trade unions were deliberately trying to destroy independent unions and representative
organisations which did not conform to, or unite with, the large monopolising ones. In
particular they had targeted VELA by freezing it out of crucial advisory councils and
excluding separate representation for geistig workers on the Works’ Councils. The
issue which appeared to make Dr Zellien most hot under the collar was the practice of
successive governments of inviting the trade unions into talks on, and issuing joint
statements upon, issues which were often economic in nature, and therefore the
natural preserve of VELA’s knowledgeable and specialised members. It seemed to
rankle with him that manual workers and people who only carried out relatively
menial tasks, people without Bildung and deficient of culture, should be allowed to
influence matters about which they clearly knew nothing - no wonder the nation was
in such a mess! [33]

It is quite clear from this vitriolic article that Zellien was not just opposed to the
mainstream political parties of Weimar, or to their horse-trading political practices, or
to the institutional role of the trade unions. He was hostile to the entire Weimar
social, economic and political system, while his anti-democratic proclivities were
displayed prominently in his jaundiced attitude towards the ‘masses’, towards the
lower economic orders, and, apparently, towards anyone and everyone who was not
in an executive or professional position. On the surface, this article was making the
case for greater representation for senior managers, but Zellien’s marshalling of the
virtues of personality, creativity, skill and the sacred totem of leadership was at least
as much in order to enlist them in a critique of democracy based on the rubbishing of

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the idea that people of lesser talents and inferior innate character should have the same say as obviously superior men. His scorn for 'lesser individuals' was palpable. This fits well with the analysis of National Socialist ideology in chapter 2 of this study, where one of Nazism's principal tenets was defined as seeing differential intrinsic value and worth among individuals and not just among races, a view which led to a rejection of equal rights as irrational and destructive of a nation's greatness.

Over the course of 1927, the same five themes again appeared with roughly the same pattern of distribution as in the preceding two years. Geistigkeit was included in the subject matter of ten articles, differential rewards in six, the Volk and the Volksgemeinschaft in three, the special Schicht in nine, and political and socio-economic aspirations and demands in no fewer than fourteen.

The theme of Geistigkeit focused much upon the idea of a culture-bearing Schicht, developing that sociological conceit into a metaphysical one, and endowing the leitende Angestellten with yet another noble virtue - and yet another reason why they were so indispensable to the nation. One article came up with a catchy slogan with which to emphasise this claim and give it a bit of political spin. It said that, because of Germany's current weakened international position, where the old principle of der Primat der Aussenpolitik (primacy of foreign policy) was temporarily an impracticality, the call to the nation should be der Primat des Geistes (primacy of the spirit). Geist, Geistigkeit and Leistung, said another article, were the nation's hope for both cultural and economic revival, and for renewed greatness.

The issues of differential rewards and the Volksgemeinschaft tended to intertwine during 1927, with the apparent aim of reconciling the contradictory, or at least competing, demands of self-interest and service to the community. Claiming that the Great Inflation had hit the geistig sectors much harder than other workers, a demand for a restoration of wage differentials was put forward, combined with a call for the introduction of a Leistungsprinzip into economic and political thinking in order to assign rewards according to performance and achievement. A proper
Volksgemeinschaft would look after the interests of every class and sector, not just the manual and ausführend (non-managerial, contrasting with führend) workers who were coddled and favoured in the present levelling Weimar system. Financial incentives were required to restore morale among the hugely undervalued leitende Angestellten. Only in this way, argued Dr Zellien in another of his articles, could senior managers be infused with the drive to increase their latent efficiency; the wrong-headed reward system and its consequent devaluing of the worth of personality and leadership were obviously detrimental to the creative energies and power of geistige Arbeit, and thus served to weaken the whole German nation.

This line of argument tended to undermine the simultaneous claim that the right of geistige Arbeiter to exercise increased power, both in their individual occupations and at a political-economic level, was based upon utilising that power in the service of the nation, a duty which was intrinsically embodied in the very Geist of such disinterested and patriotic men. Yet here were VELA writers, including a present or soon-to-be Nazi, arguing that leitende Angestellten needed monetary incentives in order to motivate them to produce that high-performance work which was so necessary for the Fatherland. The best that any VELA writer could come up with to square this circle was another sloganeering aphorism: 'Gemeinschaftsdienst durch Selbstentfaltung!' ('Service to the community through self-development!'). In other words, it was to be taken as a matter of faith that the individual geistig leader's material enrichment and empowerment would automatically trigger off in him a selfless drive to do good for the Volk.

Little of significance was added to the development of the theme of a special Schicht of geistig workers despite the large amount of space devoted to it in 1927. The major emphasis was upon furthering the case that senior managers in the capitalist business world were part of that status-enhancing category - culture-bearers. To the argument that science, technology and organisational skills could raise not only economic but also cultural levels, was added much discussion of the notion of 'material culture' and of engineers and managers as 'functionaries of the spirit'
(Funktionäre des Geistes),[44] and this spirit was defined as specifically German.[45] Whereas high capitalism (Hochkapitalismus) of the American version was a soul-destroying, impersonal machine driven purely by avarice and materialism, there was a German Geist, embodied in the leitende Angestellten and the larger Schicht to which they belonged, which promoted individuality and personality. It humanised work and was infused with a concern for the well-being and strength of the entire Volk.[46] This line of argument was very similar to that which engineers had been advancing since the turn of the century in order to reconcile Technik und Kultur (see chapter 5).

It is also in keeping with much of the analysis of attitudes towards work described by Joan Campbell in Joy in Work, German Work. She saw a widespread, bourgeois Christian belief, originating in the late 19th century in the writings of Wilhelm Heinrich Riehl (1823-1897), which claimed that there was a traditional German work ethic that valued work for its own sake and for the good of the Volk rather than for profit. This idea began with a conservative praising and idealising of peasants, aristocrats and middle-class artisans as the embodiment of that Geist, but, by the turn of the century, this mantle had been passed on to the German middle-class Bürger, and the belief itself had become the property of liberal as well as conservative thinkers. Riehl's Lutheranism led him to prize and praise the work ethic of the Protestant urban upper middle class, and to espouse a 'mild' anti-Semitism based on the religious attitude that Protestants understood God's message better than the Jesus-denying Jews and were therefore better people. His cultural nationalism, as well as his somewhat bigoted religious views, informed his belief that the 'German ethos' - that work itself was blessed and a blessing - was a shield against modern capitalism degenerating into profiteering and the ungodly pursuit of mammon in the Fatherland. He also claimed that there was a hierarchy of work based on the degree of intellectual effort involved, which helped to shape his vision of the ideal society as a harmonious organic community of unequals.[47]
Campbell argued that the main impact of Riehl's work came after the Great War and infused much Weimar thought. It is certainly visible in the thinking which went into constructing and justifying the concept of a specially-endowed geistige Schicht. She also showed how National Socialism bore many resemblances to Riehl's kind of thinking, particularly in its advocacy of a Volksgemeinschaft imbued with an altruistic work ethos. In 1920, Hitler declared that work was not a curse sent by God, but for Germans it was a duty and a rational vocation, to be done in the service of the Volk and not the self. One part of the pre-1933 NSDAP, led by Darré, courted the peasantry of Germany by declaring that they were the sector of society which typified all that was good about the German work ethic - independence, self-reliance, diligence, dutifulness and a feel for the organic interplay of natural forces. Simultaneously, another, and ultimately far more powerful and central, tendency in the NSDAP was at work on the urban, modern parts of German society. Campbell saw the leading figure in this endeavour being Gregor Strasser, who was espousing a rejection of materialism, placing the value of work higher than the value of property, and emphasising the paramount importance of Leistung. This doctrine did a great deal to allow the essentials of capitalism to be accommodated within the 'socialism' of National Socialism. Campbell showed how this, in turn, reassured the bourgeoisie and facilitated Strasser's overtures to the owners of big business, which eventually led to the latter's qualified support for, or, at the very least, sympathetic tolerance of, the NSDAP in the final years of the Weimar Republic. However, Strasser's doctrinal points would appear to display an even greater harmony and affinity with the beliefs of that other 'capitalist class', senior managers, for whom the downgrading of capital-owning power in favour of a Leistungsgemeinschaft had become an ideological and political aim.

Another of Campbell's conclusions was that modernisation was embraced by most sectors of Weimar society, especially in the cities, as a way to restore Germany's economic strength and international status. However, no consensus could be reached upon how to achieve the increase in productivity and economic rationalisation which was needed to improve the quality of life in the nation. It was the NSDAP which
benefited most from the consequent political-economic disarray by espousing a largely modern attitude towards work, achievement and reward, coupling it with an appeal to the traditional German belief that labour in itself was virtuous, and linking it to the powerful nationalist message that satisfaction and self-fulfilment were to be found in doing work that was for the greater national good and glory. Deutsche Arbeit and Arbeitsfreude (joy in work) were married together in a modern vision which had a wide general appeal[31] - and which found a particular resonance within the thinking of the leitende Angestellten.

The fifth theme, of the political and socio-economic roles that leitende Angestellten, VELA and the broader geistige Schicht should play in Germany, took up more space than any of the others in 1927. Over the years, VELA writers had criticised the apparent political powerlessness of their socio-economic sector in the face of organised labour and capital, an issue pursued in the January edition of the periodical with a demand for the creation of a special department for senior managerial affairs within the Ministry of Labour.[52] In March it was reported that just such a department had been created, and that, in addition, upper management had also been granted separate representation within the labour arbitration courts[53].

However, these gains appeared to count for little in VELA's political-economic critique, because the sense of injustice and frustration did not slacken. Instead, indignation was focused upon the lack of separate representation for leitende Angestellten in the proposed setting-up of a Reich Economic Advisory Board, which would have statutory consultation powers on governmental economic-policy plans.[54] When, in December of that year, it was reported that this long-advocated body was finally being set up, the article describing this development was apoplectic with outrage at the fact that, similar to the Works' Councils, leitende Angestellten would be considered as part of the larger category of salaried white-collar workers. Not only would no recognition be given to their separate existence between capital and labour, but they would be lumped together with lower-level, ausführend employees, undifferentiated from clerks and office-boys. To rub salt into the wounds, VELA's
arch-enemies, the umbrella trade-union organisations, Afa, Gedag, the GwR and the ADGB, were all given statutory consultative rights. Each of these Monopolgewerkschaften (monopoly trade unions), it was bitterly stated, were affiliated to, and supported by, the big established political parties, who were effectively in the pockets of these Massengewerkschaften (mass trade unions).[55]

VELA’s intensifying hatred of trade unions, of whatever political hue, was increasingly having an impact upon its attitudes towards the political parties of Weimar, who were seen as bending the knee towards these overmighty, levelling, personality-destroying dinosaurs of the Sozialstaat. Only the independent, and usually one-issue, small splinter parties, and the still largely electorally-marginal NSDAP, appeared to be free of the influence of the ‘Massengewerkschaften’, because even the very right-wing Christian-national Gedag, with its anti-Semitic and anti-democratic tendencies and its strong links to the DNVP, was defined and condemned as one of the Monopolgewerkschaften by VELA. With the politicisation of the organisation’s membership increasing steadily, it would be only a matter of time before this factor began to loom larger in the political thinking of Weimar Germany’s leitende Angestellten.

The degree to which VELA members were becoming politicised was illustrated at their Annual General Assembly held in Hamburg in May. Despite two full evenings being set aside for the discussion of economic policy, there were repeated criticisms from amongst the delegates that not enough time had been assigned for the discussion of this matter, nor had there been sufficient debate or clarification of the organisation’s political demands and political stance. The leadership appeared to be taken by surprise when a motion from the floor, calling for the setting-up of a permanent VELA economic-policy committee, was carried unanimously.[56]

Some evidence of the direction of that politicisation is illustrated by a couple of examples culled from the pages of Der leitende Angestellte during 1927. On two occasions mention was made of the concept of a Volk ohne Raum (Race/People
without Space), the title of a book by Hans Grimm which had been published in the previous year, and which eventually sold half-a-million copies. Grimm was an extreme right-wing völkisch nationalist who popularised the idea of Germany's need for Lebensraum, claiming that the nation was doomed to breed itself into starvation and extinction if it were not allowed to expand territorially. He argued that the old upper classes no longer had the ability or vitality to bring about a thorough reform of German conditions, an analysis very similar to the one being applied by VELA to the owners of big business. Grimm was an unabashed advocate of elitism, imperialism and a purified German race, with an intense fear of, and hostility towards, Bolshevism in particular, and socialism in general. He supported the NSDAP and greeted enthusiastically their coming to power. These sentiments were reciprocated by the Nazi Party and Hitler, who adopted Volk ohne Raum as one of the slogans to promote their doctrine of imperialist expansionism. Der leitende Angestellte agreed that Germany's land and resources were too meagre to support its population and did indeed need to be augmented, arguing that, in this time of relative international weakness, the nation should look to its inner resources and promote the idea of a Volk voll Geist (people full of spirit) as a stepping-stone towards that future goal.

A further example of the nature of VELA's politicisation came in an article which demanded that special preference should be given to the geistige Schicht in the formulation of social policy. It argued that not elevating such an important sector of German society, which comprised the very driving force of economic and cultural productiveness, was not only ruinous for the entire Volk, but was also politically dangerous. In a remarkably prescient sentence that was as much threat as analysis, the writer, Dr Everling, head of the Schutzkartell deutscher Geistesarbeiter, warned:

*Aus Not verzweifelnde Intellektuelle sind als politische Fanatiker für den Aufbau einer Volksgemeinschaft besonders gefährlich.*

In times of distress, despairing intellectuals make especially dangerous political fanatics bent upon constructing a people's racial community.

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Over the course of 1928, VELA’s increasing attention to political and socio-economic matters continued in the pages of Der leitende Angestellte, where 17 articles discussed this theme. Geistigkeit was addressed in nine articles, differential rewards in five, the Volk and the Volksgemeinschaft in three, and the special geistige Schicht in eleven. Although all these themes were discussed as frequently and at as great a length as in 1927, this was very much a year of consolidation of ideological positions. Indeed, it would not be an exaggeration to say that it was a year of repetition, both of the material of earlier editions, and of the exact same speeches being repeated word for word in the accounts of national, regional and Gau-level gatherings addressed by VELA’s leadership.

On the theme of Geistigkeit, an emphasis upon leitende Angestellten as culture-bearers of the nation was still very much in evidence. Some of the impetus towards this (self-)assertion undoubtedly arose from a lingering sense that ‘cultured’ people in the world of the arts, academia and the older professions still looked down upon those who worked in the sphere of business and industry. A seeking after cultural kudos and social status was therefore very much behind this particular elaboration of VELA’s Weltanschauung. A further development was the claim that senior managers were more devoted to their work than those who were merely ausführende Arbeiter. For non-managerial employees, work was merely a necessary evil; for leitende Angestellten, it was an end in itself. It gave their life meaning, purpose and fulfilment - the Arbeitsfreude of which Joan Campbell spoke. Senior managers formed part of the very soul of the companies for which they worked, protecting them from both external and internal dangers. Within their firms they were mediators between the claims of capital and labour, and synthesizers of their powerful but antagonistic productive capacities. Thus, not only did they possess unique skills, knowledge and powers of leadership, but they also exerted moral influence upon everyone else in their companies, a responsibility which their special Arbeitsmoral (attitude to work) and Persönlichkeit equipped them well to deal with.
The topic of the powers of personality was flogged relentlessly, with a stuttering venture into the thorny area of individualism. At one point Der leitende Angestellte stated that VELA members believed in individualism (Individualismus) as a necessary part of the freedom which senior managers needed in order to realise their creative potential[67], but a few weeks later it was being stressed that the type of Persönlichkeit embodied in leitende Angestellten was not at all the egotistical character of the atomised economic liberal who put self-interest before the greater good of the nation. The truly geistig personality did not seek personal gain, but achieved self-development and self-fulfilment through service to the Volk.\[68\] What VELA was stumbling towards, but would never quite grasp, was a philosophy which distinguished between individualism (Individualismus) and individuality (Individualität); in the pages of Der leitende Angestellte, the terms are used interchangeably.

Individualism is an ideological concept which says either that one's best interests are served by acting solely for one's own gain, gratification and fulfilment, or that the effect of everyone pursuing such a course of action is to promote the greater common good - the latter version being the wishful-thinking ideological position of pure laissez-faire economic liberals and right-wing libertarians, forever seeking to justify greed and/or power-hunger by constructing a moral case for self-interest. Individuality is more of a psychological concept, describing an individual's sense of being distinct from other people and of being able to use and develop that uniqueness autonomously.\[69\] The concept of individuality can, however, have ideological implications, particularly if it is not differentiated from individualism. If the baby of individuality is thrown out with the bathwater of individualism, then something else has to be put in its place in order to justify the claims for the power and differential rights of individual personalities. In much thinking of this sort (of both the authoritarian right and the authoritarian left varieties), that something is a prescribed set of values. This was exactly what the NSDAP propagated during the Third Reich to encourage and enforce loyalty and obedience (see chapter 9). Partly as a result of VELA's inability to distinguish between individualism and individuality, its emergent
ideology had a tendency to build up a complex desiderata of right-wing tenets which defined and prescribed the attributes and beliefs which were deemed descriptive of the geistig individual. Individuality thus became the product of a way of acting and believing, rather than being the agent which inspired creative behaviour.

Almost nothing new was added to the themes of differential rewards and the Volksgemeinschaft in 1928, while the factors of a special Schicht and of political and socio-economic considerations became so interwoven that it is difficult to consider them separately. However, what is abundantly clear is that political matters were moving closer to centre stage, perhaps an indication that Germany was entering the final crisis-phase of the Weimar Republic more than a year before the Great Depression speeded up the process. Already the country was experiencing an agricultural crisis,\textsuperscript{70} and by the end of the year, unemployment was well in excess of two million.\textsuperscript{71}

With a Reichstag election coming up in May, Der leitende Angestellte again urged VELA members to become involved in the political parties in order that a few of them might get elected to parliament, or at least be selected to stand as candidates.\textsuperscript{72} On both counts they achieved absolutely no success. Just as bad from their point of view were the election results themselves. The gains of the SPD and KPD led them to believe that the radical currents on the left would gain more influence. Their despised foes, the Massengewerkschaften, would be closer to the centres of power and able to extract even more favourable treatment for ausführende Arbeiter at the expense of the geistige Schicht, leading to even more economic and cultural Nivellierung. To add disillusionment to disappointment, Der leitende Angestellte noted that the bürgerlich parties had colluded in creating a situation which marked an all-time low point in the spirit of German political life, from which the influence of the geistige schaffende Schicht had been even further excluded than before. The failure of these parties to choose appropriate candidates from among the Kulturschicht, their cosying-up to mass-organisation and capital-owning pressure groups, and the imminent prospect of the Reichstag becoming nothing more than a
battleground for competing interest-groups, would soon make obvious the political and cultural crisis of the state which was already apparent to VELA.\textsuperscript{[73]}

However, even before the bad news of the election and the subsequent appointment of an SPD-led coalition government had been announced, VELA seemed to be anticipating increasing political tensions, and possibly crisis, developing not too far ahead, and was fishing around for political answers and tactics. An article in April said that the \textit{leitende Angestellten} were helping to create a \textit{Volksschicht} which would, in the future, be courted for its political support. It would naturally be attacked by those who believed in class struggle, but it had the power to determine whether the security, power and wealth of the possessing classes were to continue, depending upon whose side this powerful \textit{Schicht} aligned itself with.\textsuperscript{[74]}

This was an over-extravagant claim, but it does indicate that VELA's politics were developing, not just out of fear or reaction, but also from a sense of optimism, self-belief and a forward-looking mentality. An element of that, perhaps overblown, self-confidence was evident in an earlier article, which declared that the \textit{Berufsschicht} was so full of intelligent, strong-willed, \textit{geistig} people that it should be a matter of no great difficulty for a small number of such intellectually-capable men to infiltrate the political parties, spread their beliefs and take over the leadership positions.\textsuperscript{[75]}

Yet another article claimed that the current political and economic leadership of Germany was not as sure and forward-looking as the leadership of yesteryear because, like the third generation of business owners, it was made up of men who were part of an older world, of an out-of-date \textit{Zeitgeist}. Modern economic leadership required special skills and insights; it demanded knowledge of new technologies, advances in organisational procedures, and innovative means of selling products to the consumer; but it also required that senior managers possess the ability to delegate while still retaining recognition of their full authority throughout their area of responsibility. \textit{Leitende Angestellten} had changed and adapted to the altered conditions of the modern world over the past ten years, whereas the entrepreneurl class had not - and neither had the 'political class'.\textsuperscript{[76]}
During the ten-year history of VELA recounted up to this point, Der leitende Angestellte had a fondness for quoting and commenting favourably upon the works of recent nationalist and völkisch literary works; and 1928 was no exception. On this occasion it was Oswald Spengler’s Untergang des Abendlande (Decline of the West), published in 1922.\[77\] Spengler argued that all civilisations and cultures were subject to the process of decay and decline in accordance with a historical predeterminism. The spirit of Western civilisation had died, and a soulless expansionist Caesarism was upon the world. It was better for Western man, at this juncture, to be an engineer rather than a poet, a soldier instead of an artist, a politician rather than a philosopher.\[79\] The Nazis, of course, loved this sort of grand, sweeping, historical philosophising, with its invocation of cosmic forces controlling destiny, and its element of prophecy about the coming of a new era where action was to take precedence over reflection. Spengler’s eschatological vision must also have struck some resonance among those VELA members whose vision of the future had evolved into seeing themselves as dynamic, far-sighted, geistig technocrats leading the nation into a new age - an age where their particular skills and Persönlichkeit would be the most apt and effective, both in the emerging economic and technological conditions, and in the Zeitgeist of this dawning epoch. The writer of the article in question agreed with Spengler that Western, and not just German, culture was in a state of crisis. Attempting to turn back the clock was not the solution; the hope for the future, at least for the Fatherland, lay with the emergence of the geistige Schicht, that product of modern socio-economic development, as a power factor in a modern and realistic Germany.\[79\]

[8] See chapter 1 of this study.
[16] LA, Heft 8, 1925, pp.81-84 among many others.
[32] Reich-wide membership of the NSDAP in 1926 was less than 100,000: David Welch, ‘Hitler. Who voted for him?’ in History Review, September, 1995, p.57.
[41] LA, Heft 10, 1927, pp.118-121.
[44] Walter Benjamin argued that right-wing intellectuals were attracted to Nazism and Fascism since they hoped that these movements would lead to a resolution of a cultural crisis in bourgeois society. Both promised creativity, beauty, aesthetic form and the spiritual unity of the nation instead of materialism, positivism and formless, soulless, chaotic liberalism. The German Geist could be expressed through political imagery of the nation and Volk rather than in class-warfare terms or compromising parliaments. Walter Benjamin, ‘Theorien des deutschen Faschismus’ in Benjamin, Gesammelte Schriften, Vol.3, Frankfurt, 1977. He further argued that the emancipation of technology from Weimar’s social and political restrictions was perceived by Germany’s right-wing intellectuals as a sine qua non for recovery of the German soul. Economic advance and the encouragement of technological development came to be seen as a way, indeed a necessity, for overcoming a cultural crisis. Walter Benjamin, ‘Theories of German Fascism’ in New German Critique, 17, 1979.


[65] Campbell showed how Robert Ley was a believer in *Arbeitsfreude*, as witnessed by his promotion of, e.g., *Kraft durch Freude*, the NSDAP recreational organisation within DAF, and the *Schönheit der Arbeit* (Beauty of Labour) programme. By contrast, Joseph Goebbels believed that work was a duty, but since it was usually arduous and boring, this necessary evil should be compensated for by due rewards which could be enjoyed when people were free from the workplace. Campbell, *Joy in Work*, pp. 330-336.


[74] *LA, Heft* 7, 1928, pp. 53-55.


The year 1929 began with Germany experiencing a lock-out of 230,000 workers in the Ruhr iron and steel industries, a dispute which had been going on for many weeks. The agricultural crisis was deepening and causing widespread rural bankruptcies, while the number of unemployed was pushing the three-million mark.\[^1\] Already serious splits were appearing in the Grand-Coalition government of Hermann Müller spanning the SPD, the Centre Party, the DDP and the DVP. As the year progressed, the situation in Germany became bleaker and more fraught, starting with the publication of the Young Plan in June, which reopened many raw wounds and rekindled the bitter debate on reparations and war guilt. This was now conducted with the volume of nationalist rhetoric emanating from the political right turned way up. Around the opposition to the Young Plan there began to emerge shifting and fractious alliances of völkisch groups, nationalists, the Stahlhelm (right-wing veterans' association), the DNVP and the NSDAP, conjunctions which would break up and reform over the next three-and-a-half years until the Nazi Party emerged dominant.\[^2\]

On the 3rd of October, 1929, Gustav Stresemann, the leader and voice of compromise in the DVP, died. With his passing, his own party and the other 'bourgeois' parties slid ever further to the right.\[^3\] The NSDAP, meanwhile, was doubling and trebling its vote in Länder and local elections, largely at the expense of these bourgeois parties, whose response was to adopt even more illiberal stances.\[^4\] As if all this was not bad enough, on October 24th, the stock market on Wall Street crashed, sending out shockwaves which were amplified by their intersection with Germany's domestic economic crises and her particular reliance upon foreign investment capital, especially loan capital.\[^5\] The ensuing economic disintegration was accompanied by a plunge into political self-destruction - or, perhaps more accurately, the murder (or at least manslaughter) of democracy. This came about in large measure
as a result of intrigue and dramatic misjudgements by various right-wing statesmen and agrarians around the less-than-democratically-inclined President Hindenburg.[6]

The first step on this road was the plot hatched between Hindenburg, the leadership of the DNVP and General Kurt von Schleicher of the Defence Ministry to unseat Chancellor Müller and install Heinrich Brüning in his place to govern by decree, a power denied to his Social-Democratic predecessor. As well as effectively undermining parliament, a further by-product of this intrigue was the holding of unscheduled elections for the Reichstag in September 1930, a singularly ill-judged political move which resulted in the NSDAP receiving a vote eight times as large as it had done in 1928. Brüning, in turn, was ousted in 1932 by a conspiracy, again involving von Schleicher and Hindenburg, but this time also with the support of Hitler. This led to the inept and totally unrepresentative ‘cabinet of barons’ of Franz von Papen, more elections, and a doubling of the Nazi vote. There followed further scheming by von Schleicher and, finally, counter-scheming by an embittered von Papen, whose desire for revenge was so consuming that he was willing to back Hitler, for whom he had no liking, for the position of Reich Chancellor - just as popular support for the NSDAP appeared to have peaked and begun to ebb in the November election.[7]

This sequence of spectacular misjudgements was carried out largely by a cast(e) of men who were extremely authoritarian and anti-democratic, but who were also traditional conservatives whose world-view had largely been formed in Imperial times. For this reason, amongst many others, the forward-looking VELA and Der leitende Angestellte had no love for any of the chancellors or governments which followed on from the fall of the socialist Müller until the coming of Hitler. This chapter looks at the issues which were being discussed within VELA during this period of intensifying economic and political crises, from the watershed year of 1929 until the eve of Hitler’s elevation to the chancellorship, just as the final plot and greatest miscalculation of all was being set in motion by the soon-to-be-ancien régime around Hindenburg.
Although the ever-deepening and widening depression tended to focus the attention of *Der leitende Angestellte* writers on to socio-economic and political matters in the years 1929 to 1932, the other four themes described in the last chapter still permeated the articles appearing in the periodical during this crisis period. The issues of personality and leadership were the most pursued within the theme of *Geistigkeit*. It was claimed in one article that leaders had different mentalities from those of the masses; they were innovators motivated by an individual, driving life-force to overcome problems by the strength of their character - an idea not terribly far removed from the concept of the 'triumph of the will'. An earlier article attempted to explain the special nature of the *schöpferische geistige Arbeit* which was the hallmark of such born leaders, but the analysis quickly slipped into a tautological fog of assertion, arguing that such creative work was unmeasurable, unclassifiable and unlearnable, and that it could only be recognised by the way it made apparent the individuality of the leader. Yet another article had a stab at this, claiming that the position of *leitende Angestellte* required more character and morality than any other in a firm. Senior salaried managers were the social and national conscience of everyone else connected with the company, struggling against the egotism, selfishness and materialism emanating from the antagonistic forces of capital and labour. They set an example to *ausführend* workers, and fulfilled the role of making lower-level employees feel that they were part of the enterprise, in the way that paternal owners of 19th-century firms had done, but which was not now an option for them in this age of enormous industrial plants and amalgamated businesses.

The line of reasoning of these somewhat hazy, patronising and wishful-thinking analyses contrasted sharply with the argument adopted by Dr Everling of the *Schutzkartell deutscher Geistesarbeiter*, although all agreed ultimately on the superior worth of *Geistigkeit*. Never one to mince his words, Everling stated bluntly that there was a qualitative difference between manual work and brain work: manual labour was more extensive in German society, but brain power was more valuable. It was self-evident that without the input of creativity and management, capital and labour had little value. Without its *geistig* contributors, no nation, especially not a disarmed
and robbed one, could hope to rebuild itself. But there was more to it than just an economic dimension. *Geistige Arbeit* had a cultural, ethical, social and political significance for the nation. Without the fostering of that special creative *Schicht*, there would be no ‘cultural goods’ for the masses, who, in any case, demanded *Geistigkeit* from leaders in the state, the economy, science and the arts.\[^{11}\] This concurred with the writer of the first article who said that in the mass of people there lay a deep desire for leadership, but if a nation’s leaders were weak or ineffective, as they were in Germany at present, then the desire could easily be perverted into hostility against the very concepts of leadership and personality by levelling socialists.\[^{12}\]

The theme of differential rewards, over the four years in question, was pursued at great length, but largely in a practical and defensive manner. Literally dozens of articles argued that the higher salaries of *leitende Angestellten* were being unfairly and disproportionately targeted for increased income tax, supplementary taxes, crisis levies and special, emergency welfare contributions. Additionally, managers had not received the same levels of wage increases which manual and clerical workers had been awarded since 1924, and thus the gap between the highly-skilled, educated and *geistig* employees of the *Kulturschicht* and the *ungelernt* (unskilled/uneducated) remainder was narrowing.\[^{13}\] While short-time working for *ausführend* workers might be a necessary evil in a time of economic crisis, it was wholly unsuitable and degrading for *leitende Angestellten* to be treated as hourly-rate workers; it would reduce both performance and motivation.\[^{14}\]

One remarkable line of special pleading was the claim that ‘quality thinking’ and *geistige Leistung* could only be produced under circumstances where managers’ material needs were satisfied beyond the level of mere survival, where ‘cultural nourishment’ was readily obtainable, and where there was a genuine prospect of personal economic success as a spur to action. Active leadership was incompatible with soul-destroying proletarianisation, and, since leadership was the most important factor of production in any firm, it should be prioritised for protection and promotion.\[^{15}\] One wonders if it ever occurred to these still financially-privileged
people that everyone, including the merely ausführlich, performs better when they are free from financial worries. It is also tempting to remark that this line of reasoning suggests, not so much the Übermenschen of Nietzschean cultural-elitism thinking which informed their geistig self-conceit, but conjures up instead an image of fragile and demanding hothouse flowers, scarcely suitable for the red-in-tooth-and-claw world of Social Darwinism, or even the more gentle-sounding concept of a meritocracy.

Nothing new, and indeed very little in total, was said about the idea of a special geistige Schicht. Perhaps this was because the concept had become so deeply-rooted in VELA’s mentality that it was taken for granted that such a stratum of society was a reality. It is certainly the case that the phrases geistige Schicht, Kulturschicht and neuer Mittelstand were employed frequently in articles. Equally, Dr Everling, chairman of the Protective Cartel of German Intellectual Workers, had become an honorary member of VELA, while the Schutzkartell itself was an affiliated organisation. The very raison d’être of the Schutzkartell was to promote unity and identification among the sectors of professionals, higher state officials, senior managers in business and the loosely-defined realm of culture. Dr Everling continued to contribute articles to Der leitende Angestellte and delivered a speech at each of VELA’s general assemblies in 1929, 1930 and 1932.[16]

An alternative, or possibly complementary, interpretation of the lack of discussion of the special Schicht might suggest that, having created this conceptual union, and having even made it real to the extent of forging social and cultural links to other geistig groups, it was now dawning upon many VELA members that even this enlarged and supposedly significant group still required a political vehicle for the delivery of their vision of a better future. Many of the regular contributors to the magazine had developed certain lines of thought within VELA which had provided its members with a very welcome ideological and social-psychological underpinning to their sense of identity and self-esteem; they had formulated a cohesive critique of contemporary socio-economic conditions, practices and institutions; and they had also
graphically shown how counter-productive the Weimar political system was when even the so-called middle-class parties seemed to be in the pockets of big business and the Monopolgewerkschaften. Yet this political analysis had not really developed very much since the mid-1920s, while the economic and political conditions of Germany had changed dramatically by the early 1930s. VELA had stood still on this important matter, clinging rigidly to its declared political neutrality. Indeed, as has already been mentioned in the previous chapter, articles in Der leitende Angestellte on speeches by VELA’s leadership at regional gatherings often showed that exactly the same contents were being reported. Dr Muffelmann took to giving very similar speeches at each year’s general assembly involving recounting the history of VELA and telling the same anecdotes about senior managers being taken off in wheelbarrows and dumped on rubbish tips in the dark days of socialist revolution in 1918 and 1919. A geistige Schicht was a good idea, but perhaps was only ever going to achieve anything if it acquired political direction and political influence.

On the question of the Volk and the Volksgemeinschaft, in 1929, VELA’s ideas were still largely of a conventional bourgeois right-wing nationalist kind, seeing their own class, sector or Schicht as part of a sacred German whole when dealings with the outside world were at issue, but regarding themselves as quite separate and above the lower middle class and working class in domestic matters. The organisation’s antipathy towards trade unions, which continued unabated through to 1932, along with all the trouble they had gone to over a decade to define themselves as superior men, made the idea of solidarity with lesser, ausführend employees a hard one to come to grips with. However, the apparent mismanagement of the economy was leading them towards a more pronounced critique of the policies and practices of Germany’s big-business owners and their representatives in and around government. By enlisting the ‘national interest’ to bolster their analysis of Weimar’s current crisis, it was important to have some sort of line on the Volk and on how leitende Angestellten were an integral and contributing part of it. Claims of the efficiency, productivity and value-adding abilities of senior managers were all very well, but, in these highly-politicised and ideologically-charged times, it seemed necessary to send
out a message that transcended the merely material. The political and socio-economic language of these years was filled with references to community, unity and the Volk, coming from both the left and the right, and VELA could not avoid having to deal in these terms.

As in 1925, when the word Volksgemeinschaft entered the vocabulary of Der leitende Angestellte for the first time, and when Dr Pieper, the spiritual leader of the Christian trade-union movement, had been called on in support of VELA’s nascent vision of a national community, so too in 1931 was a Christian-social ethos advanced. This condemned liberalism as no longer constituting a viable, underlying economic doctrine because its materialist world-view was devoid of morality and ethics. It treated employees as mere economic units, interchangeable at will, dispensable at a whim. Very few firms still generated a spiritual sense of belonging for their workers, creating a fatalism and pessimism across the entire spectrum of German society. But a new age was coming. It was the task of leitende Angestellten to restore an ethical dimension into business as this era developed. The ethos of the paternal and patriarchal companies of the 19th century needed to be restored, but this time utilising modern means. Firms should employ ‘social secretaries’, ‘social engineers’ and factory nurses in order to make the workforce feel part of the whole concern. There should be regular speech-hours by senior management and works’ newspapers to keep everyone informed and inspired, and to create a purposeful and harmonic atmosphere in the company. Germany’s problem was a human, not a technological, one - as was its solution. Leitende Angestellten must strive selflessly as the spirit and heart of each plant and firm, always keeping their eyes fixed on the greater good of the German Volk, and this ethic, which was a matter of faith, had to be spread to all employees, and, in due course, to the whole nation.1171

This Christian-social ethic, however, for all its uplifting proselytising rhetoric, was essentially ethereal and hollow, especially in such grim and hostile times as the Depression years. It embodied a rather out-of-touch wishful thinking and proposed little more than peripheral social tinkering. It was also rather similar in tone to some
of the articles about *Geistigkeit* described above, and just as Everling came back at them with a much more hard-nosed analysis, so too did the writer of a later article, Dr Mäusebach, in his vision of a *Volksgemeinschaft*. He began this article, entitled 'Planning - Leadership - Order', by summarising approvingly the ideas contained in a recent book by Dr E. Wächter, also entitled 'Planung - Führung - Ordnung'. Mäusebach said that these ideas were to be recommended to, and should be taken seriously by, VELA because, although they were political, they stood above and beyond parties. Wächter argued that, in the interests of the *Volk*, there must be a concerted effort to devise a future economic system built upon an idealism characterised by the *leitmotiv*, 'Gemeinnutz vor Eigennutz' (community benefit before self-interest). This phrase was one of the favourite slogans of the NSDAP, and it is almost inconceivable that Mäusebach could have possibly believed that this was not party political. Either he was astonishingly ignorant, blindly naive, or else actually believed the claim of the Nazis that, despite being a political movement, their politics and beliefs transcended normal party-vested interests.

Wächter's book was a critique of the current economic and political leadership in Germany, and he argued that, to be a genuine nationalist, one had to put aside all concerns with the self, all individualistic ambitions, and devote one's entire efforts to improving the conditions and building up the strength of the German people as a whole - the *Volksgenossen* (racial comrades), yet another linguistic hallmark of the NSDAP. Egotism was a vice which was encouraged by the individualism of liberalism, setting individuals and groups against each other and consequently weakening the nation. Only by looking to the *Volk* as a whole, as a mutually-supportive community, could this anti-nationalist egotism be overcome. It could not, however, just be wished away by pious sentiments. A new sort of leadership was needed, both economic and political, which genuinely embodied this altruistic spirit. This was to be found in that generation of Germans who been shaped by the *Kriegserlebnis der Front* (war experience at the Front). This was not only a major theme of the extreme right in Weimar Germany, and of contemporary *völkisch*
writers such as Ernst Jünger, but it was also a thinly-veiled attack on the older conservative leadership of the bourgeois middle-class parties.

Wächter went on to argue that what Germany needed for its practical revitalisation was a planned economy, run on military principles as it had been in the Great War, although with less of a role for the trade unions who had changed for the worse. Capitalist profits were not the driving force then, so they need not be now. This would, of course, require a certain narrowing of economic freedoms, but he did not envisage going as far as creating a state economy, since there were no examples to show that such a system worked better than a privately-owned one. Mäusebach commended all of Wächter's ideas to VELA's membership, with only slight reservations about the notion of a state-directed economy, since the set-up in the last war had produced over-bureaucratisation and a great surge in the growth of cartels.

What Mäusebach's article demonstrates is threefold. Firstly, it shows that there was a degree of debate and disagreement within VELA over the nature of the authoritarian politics which the organisation was developing - or at least indicates that there was a variance in the speed with which its individual members were heading for the extreme nationalist and anti-democratic right. Secondly, VELA's conservative nationalism of 1929 was undergoing challenge and change by 1932. Thirdly, this article amounted to a Nazi socio-economic and political philosophy being offered up for approval in the pages of VELA's official in-house journal. Significantly, too, it appeared in the edition of Der leitende Angestellte which was published in early July, 1932, just a couple of weeks before the crucial Reichstag election where the Nazi vote shot up to 37.3%, and to much higher levels in upper-middle-class urban areas. In keeping with VELA's avowed strict party-political neutrality, no recommendation on how to vote in the July 1932 election was made anywhere in the pages of Der leitende Angestellte. Yet, although the NSDAP had not once been mentioned by name in Mäusebach's article, to anyone with any political awareness whatsoever, in the midst of a swell of criticism of von Papen's government and a continuing disillusionment with the bourgeois parties being apparently beholden to big business, large agrarian interests and the Massengewerkschaften, this exceptionally
long 'book review', covering two full pages, was quite obviously a plug for the Nazi Party.

The many articles in Der leitende Angestellte which talked about the concepts of a national community and, increasingly, of a Volksgemeinschaft, shaded very much into the political analysis and discussion which was starting to take up more and more of the periodical's subject matter as the Depression progressed. In the past, Der leitende Angestellte had always been very circumspect in its treatment of politicians of the centre and right, almost never aiming criticism at specific parties or people. However, during the Depression years, this began to change.

From as early as 1929, it became clear that Heinrich Brüning was held in very low esteem by the magazine's writers. He was condemned in his role as finance minister for continuing a policy of high taxation and social spending, betraying the promise he had made the previous year to cut taxes once government fiscal receipts had exceeded 1,200 million marks. This criticism grew even louder in 1930 when Brüning, by now Chancellor, was accused of showing favouritism towards the Massengewerkschaften's demands. His practice of first assessing what government expenditure on social welfare was going to amount to, and then setting taxes in order to raise the necessary income, was described as a completely backwards way of running a financial system, one that would never be tolerated in a commercial enterprise. It amounted to a self-defeating economic policy which did not reflect what Germany could afford. It led to oppressive taxation levels resulting in a squeezing of national purchasing power, which then led to further factory closures and deeper recession. This hostility to Brüning continued through 1931, and reached a peak in April 1932, just weeks before he was ousted in favour of Franz von Papen. He was accused of attempting to find a solution to Germany's economic crisis by looking solely to international action and intervention rather than promoting the idea of self-help and reconstruction from within the nation. Indeed, continued one article, he appeared to be presiding over the internal decline of the German economy in order to force the hand of her creditors (presumably meaning the countries to which Germany

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still owed reparations); this was a disastrously self-destructive policy, one which was even rebounding to the disadvantage of the Reich's foreign policy and international status. One reason for this enduring dislike of Brüning was that, from 1920 until 1930, he served as business manager for the League of German Trade Unions, hence VELA's strange belief that he was somehow a champion of labour.

However, the hostility towards Brüning was as little compared to the deep antipathy towards von Papen, which culminated in a polemical diatribe against him in early November, 1932. He was accused of running a dictatorship on behalf of a feudal class, his cabinet of barons being described as 'Männer ohne Volk' (men without [the] people); his government, it said, was representative of only a small circle of industrial capitalists and large landowners. Far too much aid was being doled out to farming, and the largesse shown to the landowning aristocracy in the form of Osthilfe (Eastern Aid) was just like a return to the corrupt practices of the 1880s and 1890s. Big-business owners were receiving tax cuts while employees were being burdened with ever more emergency levies and short working hours. Von Papen knew nothing about either brain-work or manual labour, and this showed in the fact that his measures were having no effect whatsoever. His policies were in fact madness.

One of these 'mad' policies, it was claimed, was a proposal that Germany should embark upon a course of Autarkie, or self-sufficiency. This had already been discussed in several earlier issues of Der leitende Angestellte, and was consistently rejected as impractical and counter-productive, on the grounds that Germany was short of too many raw materials, that she gained a net benefit from international trade, and that the consequences of erecting import barriers would be retaliation from other nations and a further flight of capital. Autarkie was to become a central policy plank of the NSDAP by 1936, and it shows that VELA's thinking was not identical to that of the Nazis on all points. The thinking of leitende Angestellten was influenced by their high and knowledgeable position in the modern world of business and industry where a strong current of pro-international trade, apart from within some of the heavy industries, held sway in 1932. VELA's views on many economic matters were not so
very different from those of Hjalmar Schacht, the once-and-future president of the Reichsbank, who began to be attracted by the ideas of National Socialism and the perceived genius of Hitler around 1930, although he was never a supporter of a policy of self-sufficiency. Two months before Schacht resigned from the bank in March, 1930 in protest at the Young Plan, Dr Müffelmann went out of his way to praise him for his analysis of Germany's current crisis, and declared that he was the man who would save the nation at the last moment. Müffelmann said that he knew this to be true because he was a friend of Schacht, had once worked as his assistant, and could vouch for him as a practical and non-romantic man.

There were, however, many areas where VELA did support, or come round to supporting, policies advocated by the NSDAP in the latter years of the Weimar Republic. In late 1930, Der leiende Angestellte reported favourably upon a proposal to ban foreign seasonal workers from working in German agriculture, and declared that VELA had supported this measure for some long while. A few months later it was discussing the merits of expelling all non-Germans except those who had been registered as citizens before August 1st, 1914. In early 1931, the issue of outlawing Doppelverdiener (double-earners), or people with two jobs, first appeared in the periodical. Although at first sceptical about the idea, before the end of the year VELA had accepted the principle of banning all public employees from holding a second job. By 1932, it was taking seriously a proposal to forbid the wives of government officials from taking up paid employment, later extending this to discouraging all married women from going out to work. It even gave consideration to the call, first put forward by the Wirtschaftspartei (Economic Party) and soon taken up by the NSDAP, to actively decrease the number of women, both single and married, working in the civil service and to replace them with unemployed men.

The issue of compulsory labour service, strongly supported by the Nazis as a way to relieve the unemployment problem and as a means of instilling discipline and a sense of duty into young Germans, was at first opposed in the pages of Der leiende Angestellte when it was broached in October, 1930. A debate on this question was
carried out over the next 20 months, by which time VELA had come round to supporting the idea. On the way there the discussion had gone down some interesting routes. The idea of a voluntary labour service was quickly taken up as a worthwhile idea, with the suggestion that this might be run by existing voluntary organisations who were in a position to be able to provide the necessary factors of education, training, physical fitness, strengthening of character and teaching of the virtues of service to the Fatherland, ideally along the lines of the military-service year of pre-war days. As an example of the sort of group which he had in mind, the writer of one particular article suggested the Artaman League. The Artaman League was a right-wing völkisch organisation of young nationalists who were virulently anti-Slavic and devoted to the Blut-und-Boden doctrine. They advocated the forcible removal of Polish farmers from the eastern German lands, to be replaced by racially-pure Germans, a tributary of the grander theory of Lebensraum. Among the league’s members in the 1920s were Heinrich Himmler, Walther Darré and Rudolf Hoess, the future commander of Auschwitz extermination camp. It was indeed suggested that the unemployed be put to work on the land, but an equally serious debate was entered into on the merits of compelling unemployed workers to work in factories producing goods solely for export at wages set at 70% of the going rate, in order to cut down the costs of these outward-bound goods and undercut rival nations. Unsurprisingly, the question of whether the senior managers of these export companies should consist of conscripted, unemployed leitende Angestellten working at less than three quarters of their customary salary, was never raised.

Just as important as agreement with the NSDAP on specific policies, was a growing sense of estrangement from the the perceived ruling class or establishment. VELA had long been hostile to the trade-union movement and socialism, and regarded its members as inherently superior to manual and non-managerial workers. Now, however, criticism of the owners of big business and of their bourgeois and aristocratic political representatives and placemen began to intensify. The tone of this outrage was captured in an article in 1930 which reported on an Oberingenieur (senior engineer) who had poisoned himself and his entire family in despair at losing
his job and having insufficient pension funds. On the very same day, retired Admiral Franz was appointed to a position on the board of directors of Rheinmetall AG, given a large salary and allowed to keep his generous state-guaranteed pension. This man knew nothing about engineering and yet he now had the power to decide the policy of a major industrial firm. This was neither morally right nor in the national interest.\(^\text{[97]}\)

VELA's analysis, first put forward in the mid-1920s, that the interests of big-business owners were not necessarily synonymous with those of senior management, or perhaps even with business and capitalism itself, was solidifying and becoming more radical as Germany's twin economic and political crises worsened. The idea that there was a tiredness of the entrepreneurial spirit and an unwillingness to take risks in the ossified, comfortable and complacent upper levels of business owners and boards of directors was talked about at great length.\(^\text{[42]}\) One particular development of this idea argued that the bureaucratic mentality, which had been rightly criticised as personifying all that had been wrong with the pre-war rigid ethos of the state civil service, had infested the ownership layers of business. These were now full of beamtiet (appointed-for-life) people who had turned the German economy into a mass of cartels and trusts designed for two purposes - profits and the permanence of their over-rewarded positions. The destruction of capitalism would come, not from too many socialists nor insufficient capital, but from a surfeit of weak, timid entrepreneurs, too many sinecures and too much bureaucratic method.\(^\text{[43]}\) Another article echoed all these sentiments, declaring that a failure of economic leadership had alienated the mass of the workforce and driven it into the arms of communism. What was needed were new men, promoted from below, with talent and personality.\(^\text{[44]}\)

A critique of capitalism was, by the time of the Depression, emerging in VELA. This essentially amounted to a rejection of *laissez-faire* economic liberalism, which had come to be blamed for being one of the causes of the present crisis.\(^\text{[45]}\) Indeed, one article placed the origins of Germany's current problems in the French Revolution, which had spawned democratic principles out of which came the liberal spirit. This
selfish creed had led to the development of the present-day system of "Hochkapitalismus," operating under the seductive banner of "economic freedom". What this had actually given rise to was corruption, which always seemed to be most widespread in states with a democratic foundation and a large-scale finance-capital system. Capital interests and banking power were turning the country into one mammoth economic concern, with unnerving similarities to the Russian communist system. Finance capital and its corollary, finance politics, were paralysing the economy and strangling the spirit of enterprise. The present variant of capitalism was coming to an end, and the issues at stake were: what would replace it, and could it be achieved without bloodshed? Here was not only a critique of economic liberalism, but a tying-together of capitalism and Bolshevism through the medium of finance capital. This was one of the NSDAP's most often trumpeted claims, with the concept 'finance capital' being code for 'Jews'. In a further article, one contributor called for the 'breaking of interest slavery', a phrase coined by the early Nazi ideologue, Gottfried Feder, and enshrined in the NSDAP's 25-point Party Programme of 1920. This concept argued that there was a difference between 'productive' and 'parasitical' capital, the latter being loan capital rented out at usurious rates of interest, which, claimed Feder, could always be traced back to the Jews. It would be improper to deduce that what we are seeing here was an example of a covert anti-Semitic doctrine being peddled in the pages of Der leitende Angestellte. It is enough to take it at face value that the writers' hostility to impersonal share capital and a disillusionment with the performance of Germany's tycoons were what inspired this critique. What is important is that VELA was developing a political-economic analysis which matched that of the NSDAP when it was stripped of its biological and racist pillars, an analysis which no other major political party of the right was promulgating.

VELA's critique of capitalism could possibly be summed up by using a medical metaphor. The patient was sick and anaemic; he probably required surgery and certainly needed an infusion of new blood, but he could and should be saved. The
prognosis for the current political system, however, was bleaker. Already, by 1930, *Der leitende Angestellte* was announcing that parliament had dug a grave for itself,[50] and that the party-political system was breaking down.[51] An increasing number of calls were heard for a strong state to protect the interests of the middle classes and to elevate capable men with powerful leadership personalities into positions of responsibility. This culminated with an article in September, 1932 arguing that Germany needed institutions which could compel people to work and co-operate in the national interest; such compulsion would create mutual responsibility and revitalise the nation’s industry. In October, another piece claimed that all policies would fail as long as government failed to take authoritarian scientific measures to reshape the economy.[52] The next edition carried an article referring to the Reichstag as an *Interessentenhäufen* (a heap of special interests), a phrase notable for the fact that it was one employed by Hitler in his diatribes against parliamentary democracy.[53] This same article declared that the dissatisfaction with the present parliamentary system was near-universal in the country. The German *Volk* were expressing not just discontent with their Reichstag representation, but had lost faith in democracy and the Weimar constitution.[54] This was the second time in six months that *Der leitende Angestellte* had declared that the German people had come to the conclusion that fundamental change was needed.[55]

By the close of 1932, VELA’s political analysis had caught up with its ideological *Weltanschauung*. It was now advocating radical political change in order to implement the economic and structural business reforms it had long held were necessary for Germany’s well-being and national strength. It had demonstrated clearly that it had lost all belief in leading statesmen such as Chancellors Brüning and von Papen, although both men were of very right-wing persuasions. It had denounced the bourgeois parties as beholden to big-business owners and the powers of the mass trade unions. It had expressed a lack of faith not only in the present development of capitalism, but also in the political and constitutional system of Weimar Germany. It had been praising the virtues of strong, personality-infused leadership for years and now wanted to see that quality in the political world. It was looking for a solution
which promised to transcend divisive self-interests, a crusade to create a community of the Volk where the interest of the Fatherland was put first. It wanted talent and new blood to be given greater opportunity. In the light of this, it does not seem all that remarkable to suggest that, by the time von Papen was conniving with Hindenburg and his entourage to appoint Hitler as Chancellor at the close of 1932, many leitende Angestellten had already opted for the NSDAP as the party which was most likely to deliver all of the above.

[10] LA, Heft 9, 1929, pp.82-83.
[16] LA, Heft 11, 1929, p.119; LA, Heft 11, 1930, p.101; LA, Heft 10, 1932, pp.87-102. There was no VELA AGM in 1931, the executive committee having decided that the 10,000 marks it would have cost to stage it was money better spent on aiding VELA’s self-help welfare organisations for its members in this time of economic hardship. Whether the
membership approved of this decision is a moot point, but the 1932 AGM went ahead in possibly even tougher times, and no suggestion was made in the months before that it might be cancelled. In fact, so many delegates and members turned up for this meeting in Berlin, that the conference spilled over into two extra venues and had to be carried on in the form of three ‘conventions’.

[20] It may have been just coincidence, but in 1931 an article in Der leitende Angestellte had compared the role of senior managers in running a business concern to that of general-staff officers in the military (LA, Heft 1, 1931, p.1). This was an idea which had first been expressed as far back as 1926 (LA, Heft 3, 1926, p.7). However, it cannot so easily be written off as a coincidence that, in April 1932, only a few weeks before Mausebach’s article, another piece, praising the idea of a private economy ‘bound to the state’ and similar in form to the German Great-War economy, appeared in the periodical; LA, Heft 8, 1932, pp.69-73.
[23] LA, Heft 14, 1929, pp.149-150.
[26] LA, Heft 9, 1932, pp.81-83.
[27] Louis L. Snyder, Encyclopedia of the Third Reich, Leicester, 1995, p.43.

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[41] LA, Heft 8, 1930, p.75.
[43] LA, Heft 12, 1931, pp.98-101
[53] The exact phrase which Hitler used was ‘Hausen von Interessenten’: Kershaw, Hitler, p.329.
[54] LA, Heft 22, 1932, pp.201-205.
[55] LA, Heft 9, 1932, pp.81-83.
1933: VELA and the Coming of the Third Reich

Deutsche Volksgenossen!

Es ist heute ein ganz besonderer Tag, an dem wir hier zusammengekommen sind....Der heutige Tag ...mit grossen Lettern in den Annalen der Vela geschrieben werden....Es ist kein alltägliches Ereignis, dass ein Verband....plötzlich zum politischen Machtfaktor wird. Und dies sind wir heute geworden, da man uns für würdig befunden und berufen hat, an dem neuen Staatsaufbau in wirtschaftlicher....Beziehung mitzuarbeiten. Mitzuarbeiten als "Reichsverband der Wirtschaftsleiter" in der Fachgruppe "Wirtschaft" des Bundes Nationalsozialistischer Deutscher Juristen. Bedenken Sie, dass wir nur zwei Instanzen über uns haben, zwei Instanzen zwischen uns und unserem grossen Führer Adolf Hitler....Ist es nicht ein erhebendes Gefühl, mitarbeiten zu dürfen an den erhabenen Zielen, die sich unser Führer, unser Reichskanzler, gestellt hat?


German racial comrades!

Today is a very special day on which we are gathered here.....This day will be written in large letters in the annals of VELA.....It is not every day that an association.....suddenly emerges as a political power factor. Yet this is what we have now become, because we have been deemed worthy to collaborate on economic matters in the rebuilding of the state; to collaborate, under the name of the "Reich Association of Economic Leaders", in the specialised category "economy" within the Association of National Socialist German Jurists (BNSDJ). Just think about it; only two levels of authority stand above us, two levels between us and our great leader, Adolf Hitler.....Isn't it an uplifting feeling to be allowed to work towards the lofty goals which we have been set by our Führer, by our Reich Chancellor?

For years we have struggled against the power of the masses.....and again and again they have mocked us to our face: you are nothing, you
amount to nothing, your intellect is of no account, your achievements are non-existent! The only group that counts here.....is the one led by us Marxists and liberals. And then there came a man who had the spirit and intelligence to set about restoring to their rightful place responsibility, achievement and personality.

Dr Alfred Helzel, Chairman of VELA, addressing the General Assembly, August 6th, 1933.

This chapter looks at events within VELA in 1933 and considers how and why the organisation, which had always declared itself resolutely non-party-political, finally lined up behind the NSDAP. The phenomenon of Gleichschaltung, the near-universal nazification of organisations, large and small, across Germany in the spring and summer of 1933, is central to this question. Was the event unwelcome and imposed upon VELA, as was, for example, the case with most trades unions and their members on May 2nd, or was it the culmination of a political and ideological process which made the principal organisation of German senior management amenable to such a happening? Was the emerging Beruf der leitende Angestellten and its reaction to National Socialism in any way representative of a wider trend apparent in other German professions, or indeed among the upper middle classes as a whole, in the years leading up to the Nazi Machtübernahme?

In June of 1933 VELA’s in-house periodical was renamed Mitteilungsblätter der Vela (Information Paper of VELA), and was thereafter issued only once a month. At the same time, however, VELA members began receiving a second magazine every fortnight, Die Deutsche Volkswirtschaft (The German Political Economy), an NSDAP publication which had been twinned with VELA’s periodical as a part of the process of Gleichschaltung. This had been done, declared the announcement in the last-ever edition of Der leitende Angestellte, for the purpose of ensuring that VELA members were well-versed in contemporary political and economic questions and equipped with National Socialist insight into these issues, because VELA was soon to be entrusted with important new tasks and responsibilities in the rebuilding of both state and economy. Such political and structural closeness between VELA and the
NSDAP in the summer of 1933 had not, however, been so apparent just five months earlier.

In January and February of that year, Der leitende Angestellte avoided discussing current political events beyond making a few generalised observations and expressing a desire to see an end to party hatreds and the emergence of a strong leader to unite the economically-battered nation.[8] It contained almost no references to the NSDAP. The first four editions of that year also contained only one article of substance dealing with socio-economic theory, which previously had been a favourite vehicle in which to express and justify the claims to importance for the occupation of leitende Angestellte.

The central focus of that particular article was upon the argument that the German economy should be viewed and treated as an organism and not as a mechanical system. To treat economic activity as tantamount to a machine, whose individual parts - human beings - were interchangeable, was to destroy the geistig spirit by denying, and thereby severing, the link between the visible material world and the invisible world from whence came the actuating spirit of creativity. The author called upon the philosophy of Leibniz and the recently-published 'The End of Capitalism' by Ferdinand Fried,[9] a well known contemporary conservative völkisch writer and editor of Die Tat,[10] in support of this metaphysical claim and to refute the spirit of Adam Smith with its emphasis upon quantifiable wealth as the measure of a nation’s virility and greatness. Not only were economies organic, but so too were nations and races. Thus it was impossible to revive either by using merely one-dimensional economic tools such as a policy of reflation or credit manipulation. Living organisms regenerated from within and so it was essential to tap into the living spirit beyond the surface of economic phenomena. In an organism such as a race or a nation, only a truly penetrating, comprehensive and steely political will could reach and act upon the moral and spiritual resources of its people, wherein lay the true measure of its worth and its ability to regenerate itself.[8]
The fifth edition of Der leitende Angestellte appeared at the beginning of March and was most certainly composed before the Reichstag election of March 5th. It studiously avoided any mention of this event despite its tremendous significance, which must have been palpable even in advance of the day. However, a prominent article praised the NSDAP for its advocacy of an organic state, that concept which had, curiously, cropped up unexpectedly in the pages of the magazine just a few weeks previously. It also approved of the fact that the NSDAP realised the importance of retaining and utilising economic organisations like VELA for the purpose of rebuilding the economy. The Party, it claimed, recognised the important strategic position of leitende Angestellten between profit-seeking capital and self-interested labour. Thus VELA should work closely with the new government, not just because so many of their views coincided, or because Hitler's government embodied so many of the strengths of the German nation, but because it was doubtful whether the present political and constitutional system was going to last much longer. [9]

That first-ever overt praise and unequivocal support for any political party in the pages of the magazine was swiftly followed in the second March edition by the reproduction on the front page of telegrams sent on behalf of VELA to President Hindenburg and Reich Chancellor Hitler. These expressed a willingness and strong desire to work with the new government for the rebuilding of Germany, and especially welcomed the Reich Chancellor's emphasis upon the value and rights of personality. The leitende Angestellten would now be able to utilise their nationalist work ethic more effectively for the greater good of Germany. [10] Immediately below the telegrams, in this first edition to be composed and published after the March election, the very next article wasted no time in praising the policies of the Hitler government, and in declaring that the NSDAP's attitudes and aims were the same as those which VELA had been espousing since 1919: a rejection of parliamentary democracy, a new spirit of community, repudiation of collectivism and proletarianisation in favour of a system rewarding personality, personal responsibility and Leistung - and support for an organic state. [11]
The articles in *Der leitende Angestellte* after March 5th 1933, and even after the subsequent late-spring *Gleichschaltung*, are significant not so much for what is new, but for the sheer amount of material which mirrors and continues the ideas, concepts and aims which were being published in the magazine in the 1920s and early 1930s. Whole sections of articles appearing in 1933 were lifted almost verbatim from ones printed up to ten years earlier. It was only to be expected that, post-*Gleichschaltung*, the periodical and VELA as a whole would have been praising the NSDAP and its *Weltanschauung*; and indeed they did - wholeheartedly. Some new ideas appeared, such as the concepts of the organic state and the Aryan race, the infallibility of Hitler and support for a one-party state. However, what is remarkable is the quantity of VELA’s past history and its thinking which was enlisted to show how supportive it was of the NSDAP and how its critique of society had always been the same as that of National Socialism. This was not simply an attempt to pander to, or curry favour with, the new regime. What was claimed in the last-quoted article from *Der leitende Angestellte* was essentially correct: that the ideology or *Weltanschauung*, developed over the previous 14 years and already largely in place by 1924-1925, did not need to undergo fundamental change after the Machtübernahme. It merely required to amplify some themes, demote some others and add a few bolt-on Nazi hobby-horses.

Of the five themes shown in chapter 7 to have originated in the early 1920s, and to have permeated the pages of *Der leitende Angestellte* between 1925 and 1932, two were pursued far less frequently in 1933 - differential rewards and the concept of a specially-endowed *Schicht* being made up of *leitende Angestellten*, free professionals and high state officials. Larger salaries were still implied but rarely spoken out loud, an understandable development when the SA, with its powerful current of anti-bourgeois egalitarianism, was still a force on the streets and within the NSDAP. In addition, with all the talk of a comradely *Volksgemeinschaft* filling the air, to have demanded more money at a time of economic crisis and political ‘revolution’ would have seemed, at best, opportunist, and, at worst, an example of materialist liberal individualism. It surely occurred to many managers that, if they acquired new areas of
responsibility and power, then with those would automatically come enhanced reward.

For political reasons the special *Schicht* was also played down, because, from May 30th, VELA became a component part of the BNSDJ and was thus bracketed with economists and jurists. There was still an affinity and identity with the legal *Beruf*, but, in the emerging multi-centred polyocracy of the Third Reich, doctors, architects, chemists and university professors found new homes, representation and power bases in other NSDAP organisations and fiefdoms. High state officials had the added disadvantage that the old Weimar regime had been painted so black by Nazi propaganda that many people associated with its upper executive levels were tarred with the same brush of political unreliability. This did not cause *Der leitende Angestellte* writers to abandon the idea of a special *Schicht*, but to narrow it back down to the pre-1924 emphasis on the economically and ideologically strategic position which upper management held between capital and labour in the world of private business. The relevance and importance of senior managers for the better working, efficiency and creativity of the German economy were stressed, but so too was their commitment to the *Volk* and the *Volksgemeinschaft*, references to which theme multiplied enormously in 1933. Politically, spiritually and ideologically in harmony with the new regime’s *Weltanschauung*, they focused upon portraying themselves as warriors against class war in the new order.

The theme of *Geistigkeit* still suffused the underlying ideology, self-definition and self-justification of VELA’s writers in 1933. The concepts of personality, will, creativity, *Leistung* and the *Führerprinzip* were scattered copiously throughout their articles - boldly so, because these virtues were clearly endorsed and promoted by the NSDAP. A new, if somewhat cumbersome, term was even coined to express the extent of the grasp that VELA’s members had of the leadership qualities required by National Socialist ideology - *Gemeinschaftspersönlichkeit*, or the community-oriented personality. At VELA’s general assembly in August, yet another prescribed virtue was added to the character specifications of the National Socialist new man and the
ideal leitende Angestellte - faith. It was stated that national recovery was only possible through trust and belief in the Nazi Weltanschauung and through sincere acceptance of its methods.\[16\] This had particular relevance for the concept (and practical application) of the Führerprinzip in the Third Reich, where faith elided easily into loyalty, and loyalty could quickly become a demand for unquestioning obedience. Expectations of unreflective obedience could be reinforced by calling upon the concept of duty, a traditional Prussian/German virtue and a term much invoked by NSDAP leaders in their exhortations to the German people.\[17\]

It is probable that VELA members would initially have been thinking largely in terms of the quiescence among lower-level employees which the latter’s adherence to faith and duty would bring, and of the consequent increase in their own freedom and power which would result from this. However, blind faith, absolute loyalty and unreflective duty cut two ways, and those who accepted them as tenets and tools of leadership found themselves, in turn, subject to their demands and implications when obeying higher authorities. Freedom of conscience and the constraints of morality then became subject to competing imperatives. A doctrine of the ends justifying the means arose from the combining of the much-exalted virtue of Leistung or achievement with the phenomenon of ‘working towards the Führer’. This was the term used by Ian Kershaw to describe the methods employed to curry favour, exert leverage or second-guess Hitler’s intentions or will among the lesser leadership cadres in the Third Reich.\[18\] A resultant malleable morality, based on a certainty of belief in the rightness and righteousness of one’s vision and goals, and on an overheated faith in a man touched by an even greater Geist than the one which underpinned belief in their own specialness and superiority, must have contributed towards providing the rationale, the justification and a psychologically-effective framework for those who, at VELA’s general assembly in August 1933, colluded in depriving their Jewish colleagues of their right to pursue the career of leitende Angestellte. Within less than ten years, upper management in Nazi Germany’s larger firms would be applying their special skills to negotiating the hire of slave labour from the SS and working these people to death for the greater good of the Fatherland\[19\] - a somewhat less than noble

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or edifying variation on the theme of the *leitende Angestellten* providing a bridge between capital and labour.

The fifth and last theme of the position and influence of upper management in German society and economy, and of the need for VELA members to be knowledgeable of, and active in, politics, took on a whole new dimension and urgency after March 1933. It permeated almost every article, no matter what the ostensible subject matter, because now it was very much a matter of practical politics, of alliances and manoeuvring in the fast-evolving new Nazi state. This is best demonstrated by showing what happened to, and within, VELA between April and September 1933.

Forewarning of the coming *Gleichschaltung* of VELA appeared in an article in the second April edition of *Der leitende Angestellte*. It reported that, just a few days earlier, the board of directors of *Gau Berlin-Brandenburg*, VELA’s largest regional organisation, had resigned *en bloc*, to be replaced by a team of National Socialists and one member of the *Stahlhelm*, the right-wing, *völkisch* veterans’ association with links to the DNVP, the NSDAP’s short-lived partner in government. This process was being repeated across the country in other *Gaue* and *Ortsgruppen* (local groups), and the article called upon the rest of VELA to follow Berlin’s example. Only by instilling itself with ideological foundations in tune with the present national uprising (*nationale Erhebung*) could VELA hope to take part in the coming momentous events. Thus, it suggested, it was necessary for the whole of VELA to be co-ordinated in order to give a guarantee to the government that it was politically and ideologically reliable.\[20\] This ominous article was written by Fritz Limberger, only his fourth-ever contribution to the periodical. However, he was not a newcomer to the organisation, having first been mentioned in an article in 1930 as working in the head office in Berlin. On that occasion he was acting as translator for a party of 70 Italian senior managers, members of the National Fascist Organisation of Industrial Managers, who were making a goodwill visit to VELA.\[21\] Later articles, and a photograph of him in Nazi uniform in the July issue, make it clear that he was also a well-established NSDAP member.

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Within days of writing this article, Limberger was elevated to the board of directors of VELA, and when *Der leitende Angestellte* was united with *Die Deutsche Volkswirtschaft* in June, he was appointed as the VELA representative on the latter's editorial board.

The anticipated *Gleichschaltung* took place towards the end of April, the report on the event in the first May edition being terse and short on details of when and how it took place. It merely announced that, by agreement with the board of directors, Dr Meyer-Busche was resigning his position as chairman of the board of directors. His position had been taken over by Dr Alfred Helzel, a long-standing VELA member and contributor to *Der leitende Angestellte* for many years. Dr Helzel was not only an NSDAP member, but had been the leader of the *Gleichschaltung* coup in Berlin just a few weeks earlier. Five other Nazi VELA members were co-opted on to the board of directors, and three more on to the executive committee of the board. Dr Meyer-Busche's fall from power was not absolute, since he was retained on the board of directors and made deputy chairman of the executive committee - apparently the ideological and political gap between him and the newly-elevated Party members was not so great that they did not trust him in an executive position.

Dr Müffelmann, who had been active in the leadership since the founding of VELA in 1919, was retired from the board of directors and from his position as business manager of the organisation. Although the article did not mention it, he was also removed as editor and publisher of VELA's periodical and never wrote another article for the magazine. Müffelmann had long displayed much ideological affinity with certain aspects of the Nazi Weltanschauung, so either it was considered that he upheld VELA's traditional declaration of party-political neutrality too conscientiously or for too long, or else the disagreements with certain strands of Nazi thinking on the future role of the trade unions in a Volksstaat (see chapter 6) had aligned him with the wrong factions of the NSDAP, or, it is just possible, even if not too likely, that he was Jewish. VELA's new conformity to the Nazi Party's thinking on race would very shortly become apparent. Müffelmann's place on the board and his job as business
manager were taken over by Limberger, described as a representative of VELA who had not only championed the interests of the organisation and fought for an enhanced role for leitende Angestellten within various political committees during the Weimar years, but was also a member of the top committee for social-politics in the highest echelons of the NSDAP.[23]

During the month of May, it is apparent, there was a struggle for the future location of VELA within the nexus of NSDAP umbrella organisations which existed parallel to (and often in competition with) state bodies, and which were engaged in empire-building in the new Third Reich. The two contenders for VELA's 31,000 members[24] were Robert Ley's Deutsche Arbeitsfront (DAF) and Hans Frank's Bund Nationalsozialistischer Deutscher Juristen (BNSDJ). Since its very inception, VELA had always vehemently resisted being forced into larger organisations which included lower-level white-collar workers, while alignment with manual workers' representatives was regarded as illogical, unproductive and completely beyond the pale for executive geistig employees. The prospect of being absorbed into the largely proletarian DAF was also opposed by the new NSDAP-dominated leadership.[25] This was made apparent in the second May edition of Der leitende Angestellte, where a lengthy memorandum, issued in the name of VELA, was prominently displayed in its pages.

The memorandum welcomed the recent formations of a united Farmers' Front and a united Labour Front comprising all manual and white-collar workers. Now was the time to create an equivalent Geistesarbeiterfront for economic leaders, and VELA wished to offer some suggestions on the concept, advantages and structure of such an organisation. It condemned the previous Weimar political-economic system as a Marxist one which had stifled geistig work, and quoted Hitler's support for unleashing the undervalued powers of creative personality from their shackles for the benefit of the German economy. All the claims of the special talents and Geistigkeit of leitende Angestellten, which had been heard coming from VELA for years, were then reiterated and ascribed to that Persönlichkeit to which Hitler had been referring.
Several paragraphs were devoted to illustrating the differences of functions and interests between upper management and both lower employees and employers. Only by maintaining senior management’s unique position between capital and labour could a unifying bridge between the two be sustained, a circumstance which was vitally important for preventing class conflicts and building the unity of the Volksgemeinschaft. In addition, only leitende Angestellten were in a position to make objective judgements on assessing what was in the greater economic interests of the nation; employers and lesser employees were far more guided by their own self-interest because of their structural position in a market economy. Senior managers were not only free of such narrow thinking, but were also willing, able and strategically well placed to spread National Socialist economic principles throughout the economy.

For these reasons, the memorandum went on to suggest, the separate identity of leitende Angestellten should be reinforced, their responsibilities and areas of operation should be enlarged, and they should unite with other professional and salaried economic leaders to become national economic-policy makers. These measures would not only benefit individual businesses and the economy in general, but, by accepting and adopting the political-economic guidance and goals of the National Socialist government, a more productive and responsive form of capitalism could be created in Germany. Accompanying these grandiose assertions was a proposal to institute a system of qualification certificates for those wishing to take up the occupation of leitende Angestellte.[26] This can be seen as a tactic to bolster VELA’s case for avoiding absorption into DAF and for being accepted into the far less proletarian and far more upper-middle-class, professionally-qualified ranks of the BNSDJ, but it can also be viewed as a further stage in the professionalisation project which VELA had been pursuing since 1919.

It appeared initially as if VELA’s efforts had been in vain when Robert Ley rejected its proposals and ordered that the organisation be dissolved and its members distributed among the various occupational subdivisions of the NSA.
(Nationalsozialistische Angestellenschaft), the white-collar-employee division of DAF. Ley had decided that the fact that upper managers were employees was sufficient and decisive reason for adding their numbers to his already large domain. At the last moment, just a few days before the order was due to come into effect, VELA’s leadership petitioned Hans Frank directly to be incorporated into his Front zur Schaffung eines neuen deutschen Wirtschaftsrechts, or Front for the Creation of a New German Commercial Law. Frank, in turn, immediately presented the proposal to Hitler, whose swift response suggests that in May 1933 his stock was still very high with the Führer. On the very day that had been set for VELA’s dissolution, Hitler issued a decree announcing the integration of 14 organisations into the BNSDJ in order to create what he referred to as the Front for the Reconstruction of German Law (Front zur Neugestaltung eines Deutschen Rechtes). VELA, now termed Vela, Reichsverband der Wirtschaftsleiter (VELA, the Reich Association of Economic Leaders), was among these organisations - whose members included judges, lawyers, notaries, prosecutors, high-level tax officials, auditors, academic and business economists, and qualified business graduates. After all these years of arguing the case, VELA had at last been officially recognised as a group above and beyond ordinary employees, as a profession which had a distinct and nationally-important task to fulfil, and as part of a special Schicht comprising fellow professionals and similarly geistig men. With a barely suppressed tone of triumph, the article in Mitteilungsblätter der Vela which reported these developments announced that this decree showed that the Reich Chancellor himself recognised that leitende Angestellten, or Wirtschaftsleiter (economic leaders) as they were now to be called, were part of a very special group of people entrusted with the sacred task of building the new economic order.

An Extraordinary General Assembly of VELA was organised for August 5th and 6th in the ballroom of the City Opera House in Berlin-Charlottenburg to ratify the faits accomplis of the change of leadership and affiliation to the BNSDJ. A proposal to amend the organisation’s constitution was also on the agenda. This gathering was extremely well attended, and the hundreds of VELA representatives and ordinary
members received the opening pro-Nazi speech of the new chairman, Dr Helzel, with
great enthusiasm and applause. As soon as his paean to the NSDAP and his promises
of a wonderful future for a reconstructed VELA in a reconstructed state were over,
Dr Helzel immediately put forward a motion to alter the organisation’s constitution.
He called for a vote, without discussion or debate, to accept in full the
recommendation of a special constitutional commission which had produced a new set
of rules for the organisation and operation of VELA. This was passed with a huge
majority, easily exceeding the 75% threshold required by the 1919 constitution for
such an act. Thus legally, constitutionally and democratically, VELA’s representatives
at their general assembly adopted, amongst lesser changes, a clutch of thoroughly
illiberal, National Socialist measures into their constitution - and enthusiastically
abolished their own internal democracy for good measure.\[29\]

Article 3, paragraph 2 of the new constitution stated quite unambiguously:

\[\text{Zweck der Vela ist die Verwirklichung des nationalsozialistischen}
\text{Programmes auf dem gesamten Gebiet der Wirtschaft und des Rechtes.}\[30\]

The purpose of VELA is to implement the National Socialist
programme throughout the entire sphere of the economy and the law.

Article 3, paragraph 3 honed the focus somewhat more:

\[\text{Insbesondere hezweckt die Vela die Durchdringung der}
\text{Wirtschaftsleiter mit nationalsozialistischer Wirtschaftsgesinnung und}
\text{die Mitarbeit der Wirtschaftsleiter bei der Neuordnung des Deutschen}
\text{Wirtschaftslebens.}\[31\]

In particular, VELA aims to penetrate and inculcate the economic
leaders [the new term employed to describe leading salaried employees
in business] with the fundamental beliefs of National Socialist
economics, and to encourage them to collaborate in the new ordering
of German economic life.
Vela was thus promising to take on board, and carry out, any and all Nazi policies. In the following section of the constitution the very first, and possibly most sinister, example of VELA doing just that became reality. This was the Arierparagraph, or Aryan paragraph, as Dr Helzel called it. It stated simply:

Mitglied der Vela kann jeder im Besitz der bürgerlichen Ehrenrechte befindliche Volksgenosse deutschen Blutes werden, der innerhalb der deutschen Wirtschaft eine verantwortlich geistig-leitende Tätigkeit (Wirtschaftsleiter) ausübt.\[3\]

Anyone who is in possession of the civil rights which are to be found only in racial comrades of German blood, and who engages in work of a responsible, managerial and spiritual/intellectual nature in the German economy (economic leaders), can be a member of VELA.

This definition of who could join the only officially-representative body for leitende Angestellten or Wirtschaftsleiter clearly had one overriding purpose. It was designed to exclude Jews from what was now a Nazi-led and Nazi-approved organisation which, to all intents and purposes, was snared within Hans Frank’s NSDAP satrapy.

Articles 12 & 13 of VELA’s amended constitution put the Führerprinzip into full practice and provided the method by which internal democracy was extinguished in the organisation. The logic of the organisational structure and authority of the leadership cadre, defined by the new constitution, provides a perfect illustration of that circular reasoning which also informed the Führerprinzip’s ideological foundations (see chapter 2). VELA’s leadership now comprised the Reichsverbandsvorsteher (Head of the Reich Association) and the Reichsverbandsgeschäftsführer (Reich Association Executive Leaders), the latter being chosen by the former without any requirement to have them approved by the membership. The Reichsverbandsvorsteher also named all the regional Gau chiefs, selected the heads of all the specialised associations within VELA (e.g. insurance-industry managers, banking employees, engineers and so forth), and appointed the secretary of every Reich-wide subcommittee of the organisation. He
had the right to chair any meeting of any organ or committee within VELA, to call them into session or dissolve them, and to lay down their agendas.

The actual process of choosing the *Reichsverbandsvorsteher* required that he be elected by a representative assembly of the membership, but only upon the recommendation of himself(!), the *Reichsverbandsgeschäftsführer* and the *Gau* leaders, collectively known as the *Führerring*, or leadership circle. Thus, as soon as someone managed to lay their hands on the top office, he could then choose the rest of the leadership, the body which decided whether and when any election should take place, and who the single candidate should be. Just to round off the perfection of the Führerprinzip in action, the new constitution gave the leader of the BNSDJ the power to demand a new election for *Reichsverbandsvorsteher* at any time.\(^{[33]}\) This regulation serves to confirm the dominance which politics held over socio-economic interests in Nazi Germany, as well as the degree of control which the NSDAP accrued and reserved to itself by the process of *Gleichschaltung*. The simple model, or formula, adopted by VELA shows not only the tautological logic inherent in the Führerprinzip, but also gives an example of how the self-perpetuating leadership cadres, which came to dominate the Third Reich, operated and were structured.

Within minutes of the motion to amend VELA's constitution being passed, Dr Helzel was nominated unopposed for the position of *Reichsverbandsvorsteher* by a fellow Nazi, Dr Splettstösser, who was a senior leader in the BNSDJ. He was swiftly elected by an overwhelming majority. His first act as leader was undertaken there and then with his announcement that he was appointing Dr Zellien and Herr Limberger as the new *Reichsverbandsgeschäftsführer*. Three NSDAP members now comprised the entire *Reichsverbandslleitung der Vela* (Leadership of the Reich Association, VELA). Dr Meyer-Busche, who had been removed as chairman of the board in the Gleichschaltung of late April, now found himself given the title of Honorary Chairman of VELA in recognition of his long (and presumably ideologically-sound) service to the organisation. He returned the compliment by closing the assembly with 'three Sieg Heils to the German Reich and to its “People's Chancellor”, Adolf Hitler!'
In the middle of September, the *Führerring* of VELA attended its first conference of the *Deutsche Rechtsfront*. Reichsverbandsgeschäftsführer, Dr Zellien, used the opportunity to deliver a somewhat bombastic speech, which he began by talking about *rassefremde jüdisch-marxistische Gedanke*, or alien/racially-hostile Jewish-Marxist thought, an archetypal example of the ideologically-laden idiom of National Socialism. Perhaps he was a bit excited by the prospect of Hitler addressing the conference from the same platform a few hours later, or perhaps he was acting as a warm-up man for the main attraction, one of whose main themes that night was impressing upon his audience the need to grasp the concept of the racial foundations of German law. Whatever the motivation, the rest of his speech was thoroughly peppered with similarly splenetic utterances blaming *volksfremde jüdische* (Jewish enemies-of-the-people) and *blutfremde asoziale* (anti-social enemies-of-the-blood) elements for creating class conflict among the German *Volk*, and for allowing the *Geist*-destroying cancer of Marxist socialism to inflict misery and poverty upon the nation. Liberalism, equality, political democracy and economic democracy were all foreign ideas dating back to the 1789 revolution in France, and were responsible for creating a 'me-first' culture. These morally destructive doctrines had permeated and polluted the Weimar Republic where, because of the undervaluing of personality and achievement, a misguided working class was lured into supporting the alien and racially-hostile idea of an international dictatorship of the proletariat. Only the timely arrival on the scene of the heroic National Socialist movement prevented Germany from plunging permanently into a sink of materialism and class war, where the creative, nationalist personality was sidelined. Now, however, the rallying cry, 'Gemeinnutz geht vor Eigennutz', would guide the structures and practices of the Third Reich. Armed with the spirit of this new *Weltanschauung*, equipped with their own inherent powers of personality (referred to at one point as the aristocracy of the spirit), and justified by their *Leistung*, the creative *Wirtschaftsleiter* of VELA, within the *Deutsche Rechtsfront*, could rightfully lay
claim to the leadership and management of German work and of the German economy. Dr Zellien's gung-ho, racist tirade, his effusive praise for the NSDAP and its god-like leader, and his use of Nazi terminology as well as Nazi concepts, marked a point where VELA, or at least the leadership which its members had enthusiastically endorsed in the previous month, could be said to have become a willing, co-operative and pro-active component part of the National Socialist Third Reich.\[37\]

It could, of course, be contended that what was being witnessed was merely the utterances and actions of a co-ordinated organisation taken over by an unrepresentative clique of Nazi members whose beliefs and politics were untypical of the wider membership or inconsistent with VELA's previous history. However, this interpretation can be shown to be flawed by examining what VELA writers, who can be positively identified as NSDAP members, were saying from April 1933, and comparing that with the themes which appeared in the pages of *Der leitende Angestellte* prior to that date. Even more significant are their views and opinions on VELA's past history and Weltanschauung. Seven major articles were published by known Nazis between April and December of 1933.\[38\] It is instructive to examine in some detail two of those, both written by Fritz Limberger during the period when VELA was undergoing the process of Gleichschaltung.

In both these articles Limberger made specific references to VELA's long-standing opposition to economic levelling and the influence of the collectivist trade-union movement, and to its anti-Marxism and anti-parliamentarism. These, he pointed out, were positions which were adopted and developed over the period from 1919 to 1933, the same time-frame during which Adolf Hitler took up and advanced the struggle against the political decline and degeneration of Germany using much the same critique. Both Hitler and VELA were prominent in the fight against materialism and self-interest; both appreciated and promoted the importance of the *geistig-schöpferisch* personality and the need for a spiritual and intellectual commitment to the national interest.

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Limberger argued that, although VELA still needed to undergo change in order that all its members become wholly in tune with the principles of the NSDAP, principally by adopting the *Führerprinzip* and restricting its membership to Aryans, nevertheless the organisation and its ethos were sufficiently advanced to be able to provide a platform for VELA's elevation into a position of greater responsibility and power in the leadership of the new economic order. Its members, he said, were possessed of the qualities required for such a great patriotic task - personality, *Geistigkeit*, creativity, ethical idealism, a suitable philosophy of life, educational background, and the skill and knowledge for operating in that most vital of economic locations, the layer between capital and labour. Most important of all, as a result of all these factors and of the continuing dependent relationship of *leitende Angestellten* as employees, senior managers were intrinsically and structurally the sector of business which was most inclined towards the NSDAP's guiding aim and principle, 'Gemeinmutz geht vor Eigennutz'. Here then, coming straight from the horse's mouth, is corroboration of the contention, made both in this thesis and in the claims of VELA's periodicals, that the organisation's *Weltanschaung* and political beliefs were compatible with, and similar to, those of National Socialism.

Limberger went on to say that, because of their strategic economic position and their spiritual, ideological and political reliability, it made both economic and patriotic sense for *leitende Angestellten* to take on the implicitly-wider role of *Wirtschaftsleiter* by expansion of their responsibilities in three areas. In the realm of business management they should have a large say in the questions of salaries, bonuses, profit-sharing, dividend distribution, working hours, holidays, redundancies and plant closures. In the sphere of the national economy they should take on the mantle of agents and trustees of the general public and the general good to counter the often narrow profit-seeking tendencies of entrepreneurs, thereby helping to create a new, more rational capitalism in the interests of the *Volksgemeinschaft*. This policy-making role would involve having the power to prevent unhelpful monopolies from being formed, and drafting new patent and copyright laws to reward inventors and ensure that German technology was the beneficiary of these advances. In the socio-political
arena, the task of *Wirtschaftsleiter* would be to bridge the gap between the employers and employees by adjudicating how reasonable, practical and in the national interest each party's demands were. Creating the social solidarity required for the evolution of a true *Volksgemeinschaft* was the goal of this function. Limberger proposed further that VELA should follow the example of Fascist Italy where the *Dirigenti*, or workleaders, had fully professionalised their occupation by requiring their membership to be authenticated by a diploma or certificate.\[39\]

These two articles thus show an NSDAP member of VELA not only praising the organisation's past record as compatible and congruent with Nazi thinking and aims, but also putting forward aspirations and proposals for expanding the areas of responsibility and the powers of upper management, suggestions very similar to those which pre-1933 VELA writers had been pushing for many years. Limberger may have been party to a political coup within VELA, but not to an ideological one, since there was no need for it. Additionally, while it has been shown that VELA began to adopt the very idiom of National Socialism, this particular Nazi was still employing much of VELA's self-laudatory terminology. This last observation also holds true for the other five major articles written by NSDAP members from March until the end of 1933.

The major conclusion which can be drawn from this and previous chapters on the history of VELA and the evolution of its thinking, concerns the course and causes of the organisation's eventual alignment with, and support for, the NSDAP. While there was indeed a process of *Gleichschaltung*, it was comparatively mild, was generated almost entirely from within, and does not appear to have met substantial resistance. This tends to rule out any analysis which suggests that it was a sudden or unexpected event which was forced upon a resistant, or even reluctant, organisation of senior managers. However, while moving the origins of the affinity back in time, it still leaves open the question of whether it simply arose as a reaction to crisis.

While it is something of a generalisation, the Inflation Crisis of 1923 had a far greater effect upon the middle classes as a whole, and the upper middle classes in
particular, than did the Depression which swept through Germany beginning in 1928/29.\textsuperscript{[40]} The huge job losses of the second economic crisis were concentrated to a much larger degree upon the lower middle classes and the working classes than upon senior managers and most professionals; and because the vastness of the slump created negative inflation, managerial salaries and savings actually increased in value.\textsuperscript{[41]} It is true that increasing numbers of upper managers began to be laid off from about 1930, but the job losses were not at all proportionate to those being borne by less senior employees; nor was the emerging \textit{Beruf} of \textit{leitende Angestellten} experiencing the internal and structural crises which affected lawyers, academics and, above all, doctors in the middle and later Weimar years.

The formally certified \textit{Berufe} suffered throughout the Weimar period from a surfeit of graduates in their specialised fields as a result of a great expansion in the numbers of German university students after the Great War. This led to near-chronic graduate unemployment and underemployment over the whole period, except for a brief spell in the mid- and later 1920s. This was greatly exacerbated by the inflation of 1923 which wiped out the value of many retired professionals' savings and pensions, forcing them back on to the market in competition with new graduates, war veterans and the limited but growing number of women who were achieving professional qualifications. The re-entry phenomenon was not repeated during the inflation-free Depression, but the fact of job losses, diminution of income and increased graduate unemployment, coupled with the experience and memory of the far more devastating effects of the 1923 crisis, created a sense of fear and anxiety out of proportion to the reality of the plight of the \textit{Berufe}.\textsuperscript{[42]}

In the particularly extreme case of doctors, a doubling of the number of medical students between 1925 and 1932 led to thousands of graduates having to wait for up to three years to be registered to practice. As insurance and social funds declined on account of the slump, the number of patients being treated decreased, causing a contraction of doctors' incomes. Their negative experiences and negative perceptions of the situation were greatly exacerbated by their frustrated hostility towards, and
futile resistance against, the social-insurance funds which were set up after the Great War and continued by successive Weimar governments. Besides its economic problems and political enmity towards the Republic, the medical profession was riven by an inter-generational struggle between newly-qualified physicians and the older, established practitioners who monopolised the hugely-shrunk, but still lucrative, sector of private practice.[43] These circumstances appear to lend substance to the argument that it was crisis which turned the medical profession to the political right and drove them into the arms of the NSDAP, an argument which could also be applied to other Weimar professions.

However, Michael Kater took issue with this analysis, which he saw as part of a self-serving medical myth of Nazi indoctrination of physicians and their coercion into participation in unethical behaviour. He refuted the argument that German physicians were either unpolitical or politically naive by showing how virulently right-wing, anti-democratic, nationalist and anti-Weimar Republic most medical men were throughout the entire 1920s: by demonstrating the völkisch and anti-Semitic activities of many well-established doctors who joined the NSDAP in the middle 1920s and swiftly moved up its ranks; by highlighting the rush of young doctors into the Nazi Party in the early 1930s (despite the internecine inter-generational hostilities); and by pointing to the foundation of the Nationalsozialistischer Deutscher Ärztebund (National Socialist German League of Physicians) as early as 1929. It was not just crisis which drove doctors into support for the NSDAP, but an ideological and political disposition towards its world-view.[44]

Konrad Jarausch supported much of Kater's analysis and extended it to encompass the whole spectrum of Weimar Germany's professions. He demonstrated that significant numbers within the Berufe turned to the Nazi Party long before 1933. By the end of 1932, he estimated, 7% of the legal profession, 3% of engineers and 9% of doctors were NSDAP members.[45] These percentages may not seem large but, in December 1932, the approximately 1.2 million members of the NSDAP amounted to only 2% of the German population.[46] Even more significant than those figures was
his claim that 7% of the entire Nazi Party membership was made up of professionals, who in turn comprised only 1.9% of the German population, a 270% overrepresentation. He agreed that there was indeed a crisis at the lower entry-level to the professions, where, from 1929, 30,000 university graduates per year were chasing the 10-12,000 replacement posts which became available annually.\[47] This helped to explain why university students, faced by the prospect of imminent unemployment, were among the most enthusiastic and numerous of NSDAP adherents from within the Bildungsbürger. Not only were there enough NSDAP students to form a specialised Party organisation in 1926, but in 1931 the national organisation of university students, the students' union, was taken over by a Nazi leadership after the NSDAP won a majority in their national election\[48] - probably the very first instance of Gleichschaltung, two years before Hitler came to power. Jarausch also showed how lawyers were financially affected by Chancellor Brüning cutting the fees of jurists in public service, by the general downturn of the economy, and by the superfluity of law graduates. This led their professional organisations to call for a munerus clausus, or a restriction on numbers, which very quickly became a demand to exclude women from the legal profession, and then a call for the expulsion of Jewish lawyers and judges. Similar prejudicial demands were soon emanating from almost all the Weimar professions.\[49]

However, Jarausch also asserted and demonstrated that political and ideological affinity with the NSDAP went much deeper and further back in time among the professional classes than a mere response to the socio-economic and political crises of 1929-1933. Like Kater, he pointed to the culture of völkisch, nationalist and anti-democratic thinking which permeated every one of Germany's professions all through the 1920s. His analysis was that the professions as a whole, with the honourable exception of a small minority on the political left, were never bonded or even reconciled to the Republic, and that they blamed the existing Weimar system rather than the rigidities of Empire or the Great War for both the 1923 and the later crisis. He argued that their self-image and 'social-aristocratic arrogance' led them to interpret the Depression as a crisis of culture. This arose as a result of a general
attitude, originating in the Wilhelmine era, of academic illiberalism, socially-exclusive corporative sub-cultures, a sense of national mission and a deep-seated elitism - all of which attitudes were equally characteristic of VELA and the emerging Beruf of leitende Angestellten who, in addition, had put forward a general-crisis-of-culture analysis of the Weimar Republic as early as 1925 (see chapter 7). The professions, argued Jarausch, rejected the perceived ideological egalitarianism of the Weimar Republic, which the traumatic economically-levelling effects of the Great Inflation helped to convince them was a reality, and also rejected liberal competitive solutions in favour of authoritarian statist remedies. When Brüning’s and von Papen’s authoritarian measures failed, they flocked to the NSDAP in huge numbers. National Socialism appeared to agree with their interpretation that this was a cultural crisis, and it offered a patriotic, non-egalitarian solution. Jarausch’s overall interpretation was that the move to the political far right among the professions arose from the interaction of crisis, ideological predisposition and response, and the converging appeal of the NSDAP.  

The occupation of leitende Angestellte, by contrast with the fully-fledged, regulated and certified professions, was not dependent upon possession of a diploma or a higher-education degree, even allowing for the fact that a significant proportion of VELA’s members were qualified engineers, lawyers, accountants and so forth. This meant that, while there were indeed numbers of senior managers who had been made redundant from existing jobs, there was not a long queue of formally-qualified leitende Angestellten pressing at the door to enter the occupation. Thus the problem of underemployment and unemployment at their entry-points, which hit the professions hardest, was one which scarcely applied to senior management. Neither, of course, were leitende Angestellten dependent upon the number of clients or patients who could afford their services to make up their monthly salaries. Overall, the economic effects of the Depression upon upper managers were nothing like as ferocious as what had occurred in 1923 when VELA’s regional periodical, Organisator, was filled with horror stories about the plight of unemployed and destitute leitende Angestellten.
Thus, while it cannot be denied that the Great Depression must have played some part in inclining VELA members towards the NSDAP, any analysis which simply sees such a collective move to the far right as a defensive reaction to the economic effects of that debilitating crisis is thoroughly inadequate. Because of the lesser economic impact of the Depression upon *leitende Angestellten*, political and ideological affinity must, in fact, have played a larger role in inclining senior managers towards the Nazis from about 1929, than did that factor of crisis for the older, academically-qualified professions. More persuasive would be to argue that the Depression's accompanying political paralysis and the perception, however misplaced, of a revolutionary threat from the left caused a self-defensive movement towards the virulently anti-socialist NSDAP. Its growing number of members and voters and its uncompromising direct action all served to enhance its credibility as a determined and viable political (and physical) force which would stand up to menacing, levelling, unpatriotic Marxists. As a causal factor in the convergence of VELA members and the Nazis, political considerations and political crisis undoubtedly played a substantial part in the Depression years. On the other hand, it can equally be argued that, in the final analysis, the element of crisis-reaction was more important in 1923 than it was over the period 1929 to 1933 for the development within VELA of political and ideological affinity with National Socialism.

Important though economic, political and crisis reaction factors were, it is within the realm of thought - of *Weltanschauung* and ideology, and even of philosophy and metaphysics - that one must look for the most significant causal factor of congruence and agreement. Like their professional counterparts, with whom VELA sought social and cultural identification from about 1924, the roots of that ideological predisposition, to which Jarausch referred, lay much deeper and further back in time than 1933 or the Depression years - although not quite as far back as the 19th century, since the emergence of the *leitende Angestellten* was a much more recent development than that of lawyers, doctors or even engineers. The parallel and congruent developments of the philosophy and ideology of VELA and the NSDAP
have been demonstrated in the previous five chapters, showing the existence of significant similarities of basic assumptions about matters as diverse and yet all-encompassing as human nature, the natural order, community, the nation and race, personality, creativity, leadership, the power of the will and the existence of external metaphysical forces. Out of such close and compatible world-views the political philosophies of VELA and the NSDAP developed in a similar direction, but at quite different speeds, an understandable occurrence since VELA was the representative organisation of a socio-economic group, while the Nazi Party's raison d'etre was politics.

The roots of the NSDAP's thinking ultimately go well back into the 19th century, and although, logically speaking, so too must those of VELA, for practical purposes the organisation's elitist ideology can be dated as first appearing in a choate form in the pages of its periodical and official journal, Der leitende Angestellte, around 1923/24. This suggests that such ideas were probably circulating among senior managers for a longer period of time, until that year of crisis provided the impetus towards their rapid crystallisation. Certainly the concept of the special location of leitende Angestellten between capital and labour, and its corollary of the special character required of an individual to fill it, were being discussed as early as 1921. In this analysis there is a factor of crisis precipitating ideological congruence, but it is the Great Inflation of 1923 rather than the later Depression which contributes most to that process. The Depression's effect was to generate and accelerate political convergence, which, by 1933 at the very latest, had become party-political support for the NSDAP. If leitende Angestellten are not to be regarded as atypical of the upper middle class as a whole, then, bearing in mind Richard Hamilton's study of electoral class-voting patterns (see chapter 3), that support had probably already materialised in the shape of very large numbers of senior managers voting National Socialist by the summer of 1932. However, the question of whether the move to the far right was purely defensive and a reaction to perceived threats or crisis, or whether it was a positive move of choice, motivated not just by fear but also by ambition and vision, is one which can only be answered by looking closely at the ideological basis of that
choice. Were the *leitende Angestellten* looking forward or backward? Why were they inclined towards the extreme radicalism of National Socialism rather than a more conventional right-wing conservatism?

The emphasis upon ideological factors taking precedence over economic ones in a causal explanation of the growing identification between VELA and the NSDAP does not, however, automatically lead to the complete rejection of the theory, most closely associated with Marxism, that ideology is a product of socio-economic reality. This is still a useful and enlightening conceptual tool, but only if it is recognised that the relationship between economic developments and ideological evolution is one of interaction rather than dependence or one-way derivation, and that ideas and beliefs can be generated or influenced by factors other than the structure of the means of production. The occupation of *leitende Angestellte* and the fast-growing number of such upper managers were, without a shadow of a doubt, the product of an industrialised, modern, capitalist economy, and these senior employees did, as they themselves claimed, occupy an increasingly strategic position between capital and labour. It is easy to see how notions of their own importance could arise from this socio-economic phenomenon, how they might be inclined to regard trade unions and economic democracy as impediments to efficiency, and how they might transpose their belief in the efficacy and desirability of an authoritarian managerial regime into support for authoritarian political measures. However, ideas such as those about the nature of the ideal national *Volk* community, and even more so those metaphysical beliefs concerning the will, creativity, personality and the touchstone of *Geistigkeit*, are a bit more difficult to see as being wholly, or even largely, economically derived. The process of developing an ideology similar to much of National Socialism did not arise as a result of economic determinism, nor did it happen in a vacuum. It was informed by the everyday concerns, ambitions and beliefs of *leitende Angestellten* and by the traditions of German culture and intellectual thought which provided much of the raw material for their *Weltanschauung*, which in turn guided their choice of political path.
In many cases, discussion of first causes in human historical events is about as useful as debating the chicken-and-egg question. Of greater analytical utility is judging the relative strengths of influence of the multiplicity of causal factors which contributed to the phenomenon under study, whether these factors are economic, political, ideological, social, social psychological, individual, contingent, meteorological or whatever. The analysis in this thesis holds that ideological congruence was the single most important factor contributing to the eventual political alignment of VELA and substantial numbers of the German leitende Angestellten with the NSDAP. Long-term economic factors set the stage for the emergence of a sector of upper management in the German capitalist economy, while defeat in the Great War provided many of the conditions which led to repeated economic crises in Weimar Germany. These in turn contributed to the recurring political crises of the 1920s and early 1930s, but the actual political directions taken by individuals and groups within that flux and turmoil were informed by belief systems and ideological inclinations, even allowing for a strong element of correlation between class and left/right tendencies. Significant for VELA in this respect was a growing conviction that one of the outcomes of the war had been political democracy which had exacerbated, or even caused, economic problems; economic failure, it was believed, was due to political weakness rather than the other way round.

For senior managers, their future security lay not in turning back the clock of socio-economic development, but in pursuing the path of capitalist and, above all, industrial and commercial modernising trends which were consolidating and expanding their type of occupation. While they were strong upholders of the rights of property and the efficacy of capitalism, their belief in pure laissez-faire economics, that fundamental credo of liberal individualists, increasingly ebbed away as they identified it as a practice which most favoured business owners. Far more attractive to them than the existing system, where capital was perceived to be the main beneficiary of improved performance, and where executive management was undervalued, was the notion of a Leistungsgemeinschaft, a meritocracy where knowledge, skill and achievement were properly rewarded. However, a meritocracy works best when there
are clear and defined aims to be achieved. This allows performance to be measured by a more universally-recognisable yardstick demonstrating how much progress has been made towards reaching those goals. VELA's members eventually found such a goal, through their nationalism and their sense of community, in the Arbeitsgemeinschaft concept of the middle 1920s, which had transmuted into the Volksgemeinschaft by 1933. Thus, in terms of both the socio-economic reward system and the broad, if somewhat vague, goals which it served, VELA and the NSDAP appear to have been in close agreement from the mid-1920s.

In the highly politicised atmosphere of Weimar Germany, VELA's writers soon came to the conclusion that a political solution was the key to achieving their evolving vision of progress, both for themselves and for the German nation. The nature of that vision included not only the concepts of Gemeinschaft and Leistung, but also a desire not to alter too radically the socio-economic status quo of society. This further set them on a convergent course with National Socialism, through the latter's objective of altering consciousness without dramatically changing class structures, wealth distribution or the system of differential rewards and status. The Nazi claim that political will could and should prevail over economics, chimed well with both the self-interest of senior management vis-à-vis capitalist business owners, and with their developing ideology of the importance of Geistigkeit, personality and will, which they claimed to possess in above-average quantities. The idea of a primacy of politics was, in any case, one which was deeply ingrained in right-wing German politics, and the NSDAP certainly believed in it more strongly, and trumpeted it more loudly, than most other Weimar parties.

Combining the idea of a Leistungsgemeinschaft with the concept of the power and the rights of will and personality created the ideological foundations for the adoption, in turn, of the Führerprinzip. This was an idea which developed in VELA during the last years of the Weimar Republic, reinforcing, and being reinforced by, the draining away of any remaining faith in the institutions and very concept of universal democracy. Although it took the organisation many years to reject democracy, by the
time of the Depression at the very latest, its members had come to believe that political democracy was not necessarily part of the forces of progress. The Führerprinzip was, of course, also the siren call which lured men, especially well-educated, reflective and potentially powerful men with their well-thought-out rationales for the legitimacy and effectiveness of strong, authoritarian leadership, towards the party most closely associated with that idea. Faith in a strong leader worked in both directions, and no leader came over as strong and dynamic as Hitler. With these last and very important strands woven into the ideological fabric which increasingly bound VELA’s thinking to that of National Socialism, it was with eyes open that senior managers, in a similar fashion to doctors, lawyers, engineers, and indeed great numbers of the upper middle class in general, cast their political support towards the NSDAP in 1932 and 1933.

Ambitious self-interest, a profound sense of nationalism, a belief in strong-willed political solutions, a modern (and modernising) forward-looking vision, and a confident and coherent Weltanschauung - all these contributed more to the political thinking of VELA and senior managers, which ultimately led them to support the NSDAP, than did fear or a backward-looking mentality. It was not, however, simply greed, power-seeking, opportunism or arrogance (although those were undoubtedly present) which led the leitende Angestellten and other members of the German upper middle classes to adopt, for positive as opposed to negative reasons, what is nowadays generally termed reactionary or unprogressive politics. There was also a genuine belief that authoritarianism, wielded by a new, modern and enlightened political-economic leadership, was a progressive step and in the national interest, and that democracy was a blind alley or an unsuitable choice that Germany had erringly chosen. Wise and strong men would put that right. Thus, in order to understand the ideological factors which led to the congruity of leitende Angestellten thinking and that of the NSDAP, one has to admit the existence not only of a paternalistic dimension, but of an element of idealism within VELA - just as one has to recognise the same element in National Socialism, and crucially, in the motivation which drove so many millions of Germans of all classes to support what turned out to be a monstrously barbaric regime.\[56\]
[16] MV, Heft 15, 1933, p.158. A call for the German people to put faith in Hitler, first appeared in an article on the creative and volkisch nature of German technology in the previous edition, MV, Heft 14, 1933, pp.147-151.
[22] It is also possible that Dr Müffelmann may have been a member of the DNVP.
[23] LA, Heft 9, 1933, p.88.
[27] The full list of the 14 organisations absorbed into the BNSDJ on May 30th 1933 was as follows: Deutsche Richterbund, Leipzig
   Richterverein beim Reichsfinanzzhof, München
   Preussische Richterverein, Berlin

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Verein Sächsischer Richter und Staatsanwälte, Leipzig
Bayernische Richterverein, München
Bund Deutscher Rechtspfleger, Berlin
Deutsche Notarverein, Berlin
Deutsche Anwaltverein, Berlin
Verband Wirtschaftswissenschaftlicher höherer Finanzbeamter, Berlin
Bund Akademischer Volkswirte, Berlin
Institut der Wirtschaftsprüfer, Berlin
Reichsverband der deutschen Volkswirte, Berlin
Verband Deutscher Diplomkaufleute, Berlin
Reichsverband leitender Angestellter (Vela), Berlin

[28] MV, Heft 1/2, 1933 pp.110-111.
[31] MV, Heft 15, 1933, p.163.
[33] MV, Heft 15, 1933, pp.164-165.
[34] MV, Heft 15, 1933, p.166.
[35] MV, Heft 17, 1933, p.192.
[36] MV, Heft 17, 1933, p.191.
[37] MV, Heft 17, 1933, pp.192-197.
Zellien: MV, Heft 17, November, 1933, pp.192-197.
[46] Kershaw, Hitler, pp.410 & 720. The figure of 1,200,000 is based upon Ian Kershaw's statement that the issuing of Nazi Party membership numbers had reached 1,414,975 by the end of December, 1932. In a footnote to this passage, he wrote, 'Since the membership numbers were given out in continuous series and numbers of those leaving the party not renewed, the figures for members actually in the party were substantially lower.' My figure removes 215,000 individuals, or 15% of the cumulative membership total - an arbitrary, but probably extremely conservative, estimation.
[51] Up to 1933, Germany experienced a limited development of business schools and the teaching to university level of business administration, applied economics and theoretical economics. These were, however, as much aimed at entrepreneurs as managers. David F. Lindenfeld, ‘The Professionalization of Applied Economics: German Counterparts to Business Administration’ in Geoffrey Cocks & Konrad Jarausch (eds.), German Professions, 1800-1950, Oxford, 1990, pp.213-231.
[52] Articles on the plight of unemployed leitende Angestellten carried on appearing in the periodical until 1926 (eg LA, Heft 1, 1926, pp.2-3 & 3-4; LA, Heft 11, 1926, pp.85-86); then, from the summer of that year, they completely vanished until 1930. In December, 1930, the first article to address unemployment for more than four years talked about the advantages which restored colonies would give to Germany in its battle against rising unemployment, but it did not single out the leitende Angestellten as being particularly affected by job losses (LA, Heft 23, 1930, pp.219-220). Only in 1931 did managerial unemployment once again become a regular topic in the pages of VELA’s periodical (eg LA, Heft 5, 1931, pp.39-40 & 40-43), but not with the frequency (or stridency) of 1923/24.
Chapter 10

Conclusion

VELA continued as a corporate body until December of 1934, when it was formally dissolved in line with a decision taken at a specially-called general assembly in the previous month. Its individual members and social-welfare organisations were then absorbed into DAF. This may seem like it was a defeat for its members and leaders who had fought to stay out of this perceived plebeian mass-organisation 18 months earlier, but is impossible to glean from the pages of Mitteilungsblätter der Vela why this occurred. By 1934 VELA’s periodical had become a propaganda mouthpiece for National Socialism, and it certainly was not going to report on any power struggle, presuming that there was one. Up until the end, and including the edition which came out in the month after the decision to dissolve VELA was taken, articles in the magazine were upbeat and full of confidence for the future. It is true that even during the darkest years of the Depression there was always a hopeful, forward-looking ethos running through Der leitende Angestellte, but this was of a different, bright-eyed-and-bushy-tailed variety, an ethos of purpose and crusade.

Throughout 1934, VELA’s leadership launched itself enthusiastically into co-operation with the the Nazi regime, working in the various committees of the BNSDJ. Its principal undertaking was to contribute to the drafting of major reforms of labour law following the promulgation of the Law for the Regulation of National Labour in January, 1934. Positive reports on this project continued to appear until a month before the demise of VELA, extolling the idea of spreading the principle of Leistung across the economy. It is probable that there was disappointment at the absorption into DAF, but it is also possible that this was only a setback within a much greater gain. All these concepts which VELA had been discussing for years - achievement, meritocracy, leadership and community - were now supposedly part of the new order or new Weltanschauung in Germany. However, the history of senior
salaried managers in the Third Reich (and the question of whether Nazi Germany can be characterised as some form of a technocracy) has yet to be researched. Although VELA’s periodicals provide a good source of material for the Weimar years, a wholly different research approach is needed for the post-1933 years. The focus of this thesis has been upon the creation of an ideology among Germany’s upper business managers which was converging with National Socialism during the Republic.

That ideology was rooted in the modern industrial and business world and drew its ideas largely from a tradition of liberalism, elitism and nationalism. It was also intertwined with the professionalisation process of senior business managers. The route to convergence with National Socialism lay down the path of developing several strands of thought, or themes, whose original impulse was a defensive desire for self-definition in the uncertain political and socio-economic climate of the immediate postwar years. Through a process of extolling virtues which they claimed were inherent within leitende Angestellten, and also within a perceived special Schicht of other upper-middle-class groups, VELA’s members developed a somewhat arrogant and conceited sense of their own importance. Seeing themselves not only as the possessors of a metaphysical Geistigkeit, but also as a component part of the sacred ‘culture-bearers’ of Germany, they began to pursue the idea that personality, leadership and will were what produced both economic and cultural goods.

This developing doctrine of elitism in a modern setting inevitably intersected with the highly-charged political atmosphere of Weimar Germany. Within VELA, the Great Inflation of 1923 began, or at least greatly accelerated, an undermining of faith in the existing middle-class parties and in political democracy itself. The second great crisis of Weimar, the Depression, led to a critique of capitalism. Armed with a belief in their own importance and indispensability, VELA’s managerial membership castigated the owners of big business as lacklustre, conservative and devoid of the entrepreneurial spirit of their grandfathers. Capitalism was a necessity, but it needed to be reformed so that men of character, leadership and strong will could have a greater say in running the economy - men like themselves. All these ideological
constructs were interwoven with, and buttressed by, the argument that giving greater responsibility, power and reward to *geistig* men was in the national interest; such men were motivated solely by the self-fulfilment of creative work, by altruism, selflessness and, most importantly, patriotism. Out of this mixture of genuine idealism and self-justifying hyperbole grew ideas about the creation of a *Volksgemeinschaft*, where class war would be banished and everyone would be pulling together in the same direction.

By the last years of the Republic, the critique of the ineffectiveness of contemporary economic leadership was being applied to the political situation in Germany. Disillusioned with all the so-called bourgeois parties, and innately hostile to both Brüning and von Papen, who was there left to turn to? Given the ease and lack of resistance with which the modest *Gleichschaltung* of VELA took place, and given the enthusiasm which greeted the replacement of the organisation’s constitution with one which not only enshrined the theory and practice of the *Führerprinzip*, but also included an Aryan clause, this suggests that many senior salaried managers had been supporting the NSDAP for more than just a few months.

Examination of the literature on Weimar Germany’s *Berufe* and *Vereine*, which illustrates the activities and beliefs of economic and social upper-middle-class organisations, showed that a similar phenomenon of ideological alignment and political support for the NSDAP was also occurring in these arenas. Within the professions, support for the Nazis was already becoming established as early as 1928/29, nowhere more so than among engineers, the profession with which VELA had the strongest ties and which supplied many of the organisation’s members. Engineers’ long quest to reconcile *Technik und Kultur* had led many among them to claim that the metaphysical force of creativity endowed them and their work with a spirituality that was reliably ‘German’. Their pursuit of the idea of the power of the will and their belief that they had a ‘cosmic mission’ to the nation, produced a strain of anti-democratic *völkisch* technocrats, or reactionary modernists, who eventually embraced National Socialism. VELA’s obsession with *Geistigkeit*, its exaggerated
self-importance, its vision of an ideal community for the Volk, and its eventual advocacy of authoritarian government in 1932, are remarkably similar to the engineers' experience.

The stated aims of this thesis can now be briefly addressed. The first aim was to demonstrate the links between liberalism and National Socialism. Drawing on the ideas of cultural elitism and the concept of an open-yet-authoritarian elite, it was argued that the right-wing liberalism of early 20th-century Germany was essentially elitist, while its adherents were not at all convinced that democracy was a progressive idea. Nazism too was 'an elitist politics for a mass age' and eschewed democracy.\cite{footnote}

The concept of meritocracy being a part of National Socialist thought, as well as constituting a cherished liberal ideal, was demonstrated, as was a shared belief in achievement (Leistung). The combination of elitism and Leistung proved to be a powerful brew, out of which was distilled ideas of the Führerprinzip. In such a world-view, what rewards were due to the successful or effective individual? What power? What differential rights? During the 1920s and 1930s, the developing, refining and proselytising of such self-justifying doctrines of self-interest went on within VELA, ideas which eventually took on a very political and authoritarian nature. Yet, at the same time, notions of the Volksgemeinschaft, born out of a strong sense of nationalism, virulent hostility to the trade unions, a desire for a new socio-economic order and a professed opposition to class struggle, were emerging. The logical destination for that combination of thinking was surely National Socialism.

Thus it was argued that one particular strand of liberalism - rooted firmly in liberalism's basic ontology of the individual, retaining its belief in progress, moulded by its late 19th-century attitudes to state and nation, and implacably hostile to egalitarianism, socialism and trade unionism - transmuted into National Socialism. This, of course, does not mean that all liberals harbour the proclivity to be Nazis, either then or now, despite the incorporation into the National Socialist belief system of some of the most basic fundamentals of liberal thinking. The strand in question is the one which has given rise not only to liberal elitism and Nazism, but also to
laissez-faire economics, possessive individualism, right-wing libertarianism and Liberal Parties of the sort led by Vladimir Zhirinovski, the neo-Fascist Greater-Russian nationalist and racist. Each of these is different from German National Socialism, but they all subscribe to a rather compassionless dog-eat-dog philosophy of life and allow liberty to become licence for the stronger and more powerful. Just as socialism has been saddled with being a tributary of the regimes of Josef Stalin and Nicolae Ceaucescu, so too does liberalism have to face up to its contributions to the achievements of Hitler and Zhirinovski. Most modern-day socialists and liberals deplore the undemocratic beliefs of these four villainous characters (with socialists also stressing their inegalitarianism, while liberals decry their lack of liberty), but neither can deny that, latent within certain components of their underlying philosophies, lies the potential for the development of, or contribution to, harsh and brutal political ideologies.

The second aim was to see whether there was evidence pointing towards the German upper middle class as a whole being more pro-Nazi than other classes in Germany. This class tended to be largely liberal voters in Wilhelmine times and during the first years of the Weimar Republic. Analysis of the election results and voting patterns of the later Weimar years showed that liberal voters did not find it at all difficult to switch allegiance to the NSDAP, while a class analysis of the voting patterns within German cities in July 1932 demonstrated that upper-middle-class residential areas cast a far higher percentage of votes for the NSDAP than any other urban districts. Widespread Nazi sentiment and support among the upper-middle-class Bernufe and Vereine were also apparent from the evidence of other historians' studies on these organisations. Additionally, a reappraisal of some of the material in Michael Kater’s The Nazi Party suggested a very large overrepresentation of this class within the Nazi Party, massively so in the upper-leadership levels. The study of VELA itself, avowedly non-party political until 1933, nevertheless demonstrated a close affinity with National Socialist ideology as the organisation developed its elitist Weltanschauung over the course of the 1920s and early 1930s, while the ease of Gleichschaltung, and the enthusiasm with which it was greeted, suggested the
existence of a very widespread pro-Nazi sentiment among its senior-manager membership.161

The third aim was to demonstrate that the appeal of the Nazis for VELA and the upper middle classes in general was their perceived and actual modernity. The electoral and financial organisation of the pre-1933 NSDAP, its style, image and dynamism were all shown to have been innovative and up to date. However, more important than appearances, were the modern ideas of National Socialism. Chief among these, especially for VELA, were the vaunting of the concept of leadership, the promotion of expertise over entrenched interests, and the vision of a modern, industrialised, politically-directed capitalist economy. In the imagination of many senior managers hovered the vision of themselves, strategically placed between capital and labour, playing a larger role in the management of their firms and taking part in the formulation of national economic policy. These men wanted to improve capitalism, not overthrow it, and this was what the Nazis appeared to be offering. It was not the Blut-und-Boden atavistic wing of the NSDAP to whom the upper middle class were listening or responding, but to the ‘modernisers’, who also happened to be the real movers and shakers in the Party.

The fourth aim was to investigate the degree of complicity of the upper middle class in the very genesis and spread of National Socialist ideology and politics. The first indication that this might have been significant came in the reassessment of the class composition of the NSDAP leadership. This proved it to be greatly and disproportionately skewed in favour of the upper middle class. The studies of the Berufe showed a deep and early penetration by the NSDAP, while the material on the Vereine revealed that these were hotbeds of right-wing politics among a supposedly fractured and passive class. Often disguised as taking an above-party or apolitical stand, both the Berufe and the Vereine were in fact active diffusers and proselytisers of Nazi ideology.
Perhaps the most important finding of this study, tracked in the course of the six chapters dealing with VELA, was that the ideas which led senior salaried managers eventually to support National Socialism were not apparently being imported into the organisation by NSDAP members, but were being generated from within. Just as Vereine members tended to join the Party and not the other way around, so it seemed to be the case that the NSDAP was a last stop rather than a boarding point for those upper managers who eventually became Nazis. VELA developed a Weltanschaung which was compatible, contemporaneous, congruent and convergent with NSDAP thinking, a 'Nazi' ideology that was almost wholly developed from within. National Socialism was not a cosmic or alien force which infected a group of zealots who, with great propagandist skill, then converted huge swathes of the German population.\(^7\) Similar or compatible ideologies were developing in many sectors of German society in the Weimar years. The principal claim of this thesis is that the social, economic and occupational organisations of Germany's upper middle classes were major breeding grounds for the development of such ideologies which crystallised by about 1924 or 1925. Under the crisis conditions of the Depression, and amidst a widespread disillusionment with all the so-called bourgeois parties, these ideologies formed the basis for a political critique which inclined disproportionate numbers of the upper middle class to find confirmation of their opinions in the politics as well as the basic Weltanschaung of the NSDAP. For these reasons, the overall conclusion of this thesis is that the complicity of the upper middle class in the National Socialist phenomenon was substantial and fundamental.

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\[1\] Mitteilungsblätter der Vela, Heft 11, 1934, p.175; MV, Heft 12, 1934, pp.193-195.
\[3\] MV, Heft 10, 1934, pp.165-167.
\[5\] Other, less virulent examples of contemporary Liberal parties which exhibit very
right-wing politics are those of Japan and Australia.

[6] These factors effectively created a rather rough correlation between social class and support for National Socialism. The lower the social class, then the less likely one was to vote NSDAP or to believe in Nazi ideology; the higher the social class, the more likely one was to endorse the NSDAP or embrace its world-view. Only at the very pinnacle of the German socio-economic class system does this model deviate from its trajectory. Among the half a percent or so of the population consisting of the old aristocracy, landowners, capitalist moguls and the extremely wealthy, there were many ardent Nazis, but there were also many who found them repugnant because of their foul morality, their vulgarity or their perceived lower social status, while perhaps even more saw them as rivals for, or a threat to, their positions of power and status. Substantial numbers of dyed-in-the-wool traditional conservatives of this cast of mind preferred their own brand of anti-democratic authoritarianism.

[7] ‘Nazis did not have to dress up apolitical burghers and march them in the streets. The Nazis were not outsiders or intruders who triumphantly conquered bourgeois communities; on the contrary, the populist temperament, the public bearing, the rhetoric, and above all the confidence that the National Socialists assumed so effectively were already indigenous to bourgeois neighbourhoods. Nazis did not so much seize power as express the ambitions and prejudices of burghers, while transcending the limitations of their political organisation’, Peter Fritzche, Rehearsals for Fascism: Populism and Political Mobilisation in Weimar Germany, New York, 1990, p.236.
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