BUSINESS AS USUAL? CONCEPTIONS OF GERMAN-AMERICAN ECONOMIC RELATIONS UNDER HITLER

Jeff R. Schutts


Recent class-action lawsuits have made American business dealings with the Third Reich front-page news. Sensational "disclosures" emerged two years ago: American auto manufacturers in Germany collaborated in the use of slave labor to build the Nazi war machine, and American banks were among those plundering Hitler's Jewish victims. With legions of attorneys deployed to establish the cost of restitution, historians also began to re-examine how Nazi rule shaped German-American economic relations. Whereas earlier historiographical debates centered on whether "big business" financed Hitler's rise to power, many now question whether Nazi society nurtured transnational capitalism. Informed with the perspective of contemporary "globalization," might not the presence of multinational corporations in the Third Reich be deemed "business as usual"?

The GHI sponsored a panel considering such questions at the 24th Annual Meeting of the German Studies Association held in Houston. The papers presented three case studies that spotlighted different conceptions of "normal" German-American business relations during the 1930s and 1940s. The first explained how small German entrepreneurs helped make Coca-Cola, that "most American" of consumer products, a "genuine German product" within the Third Reich. The second paper revisited the infighting among the Nazi agencies that wanted to control American business interests caught in Germany during World War II. The third examined how American policy makers thought reformed economic relations could help secure peace once Nazi Germany was defeated. Each paper engaged with distinct historiographical debates, however as a group they illuminated the need for further study of the development of transnational capitalism within Nazi society. Commentary to all three papers was provided by Mary Nolan (read by Waltraud Schelkle).

In the first offering, "Coca-Colonization in the Third Reich? The Americanization of Germany and the Germanization of Coca-Cola," Jeff Schutts recounted how the Atlanta-based Coca-Cola Company succeeded in establishing its soft drink as a
Volksgetränk (people's beverage) palatable to the increasingly chauvinistic tastes of Nazi Germany. Rather than considering this as an example of one-dimensional Americanization, Schutts argued that Coca-Cola was itself "Germanized" within the Third Reich. His presentation highlighted how the company's system of franchised independent bottlers was adapted to the economic and cultural conditions of interwar Germany. As a consumer product produced and distributed by local German entrepreneurs, Coca-Cola was integrated into the indigenous beverage industry and German culture. Effectively transcending national and ideological borders, the Coca-Cola Company was thus positioned to "refresh" both German and American soldiers during World War II. Questions after the presentations encouraged Schutts to expand upon his case study, while Nolan cautioned that Coca-Cola Company records required a more critical reading.

Philipp Gassert's paper, "Keine rein geschäftliche Angelegenheit: Die amerikanischen Investitionen im Dritten Reich," also discussed American corporations in Nazi Germany. His focus, however, was not on the firms themselves, but on how Nazi authorities handled these potential "Trojan horses" within their economy. Whereas much of the current media controversy has emphasized the collaboration between American companies and Hitler's regime, Gassert's presentation highlighted the Third Reich's bureaucratic infighting to suggest that American subsidiaries led a precarious existence under Nazi rule. Threatened with outright seizure, American-owned firms were formally held in escrow as "enemy property" while their German managers accommodated production to fit Germany's wartime needs. Gassert acknowledged that this situation made the companies exceptionally profitable but argued that American firms were "prisoners of their large investments," unable to pull out of prewar Nazi Germany and then unable to exercise control over their affiliates once the United States had declared war. In her commentary Mary Nolan took issue with Gassert's framing of the issue, questioning whether his narrative overstated the "apolitical" and marginalized nature of American businessmen. She noted: "Both sides accommodated themselves to a less-than-optimal situation during the war on the assumption that this would position them more advantageously for the postwar economy; however, they envisioned that... [j]ockeying for advantageous position in the medium run is a form of business as usual, just as adjusting to the terms of authoritarian regimes was and is a key to business survival and success."

The final presentation shifted the panel's focus from Nazi to American policy makers. In her paper, "The Morgenthau Plan Reconsidered: On the Limitations of American Prescriptions for German Economic Disarmament," Regina Gramer recontextualized Henry Morgenthau's discredited 1944 proposal to deindustrialize postwar Germany. Complementing recent historiography that emphasizes the treasury secretary's success in establishing a formal link between economic controls and policies to curb the potential of future German militarism, Gramer argued that "Morgenthau's intervention was not intended so much to harm Germany as to rejuvenate a faltering
New Deal debate on reforming Germany’s industrial structure in specific, and on the role of economic disarmament in general.” Highlighting links between New Deal antimonopoly initiatives and American postwar planning for Germany, Gramer’s presentation reviewed how different U.S. government agencies embraced contradictory interpretations of the complicity of big business with Nazi aggression and the existence of “an increasingly supranational as well as global cartel threat.” In her commentary Nolan noted that Gramer “adds a vital structural dimension to the question of business as usual” and urged her to investigate further how American policy makers were shaped by their own involvement with transnational capitalism.

Rather than offering a cohesive conception of “business as usual,” these three studies illuminated the need to further contextualize German-American economic relations under Hitler. In Nolan’s words,

If these papers are individually stimulating, they are collectively frustrating. Gassert’s Nazi officials and American business leaders, Schutts’ Coca-Cola executives on both sides of the Atlantic, and Gramer’s American policy makers and politicians do not speak to the same sets of concerns. Each paper suggests how difficult it was for contemporaries to determine what did or should constitute business as usual. Until that issue is posed and researched more directly... we can only hint at the competing conceptions circulating and the support they received.

Indeed, with each case study pulling at different historical threads, the panel was not able, or expected, to untangle all the controversies surrounding American business relations with the Third Reich. Instead, the panelists demonstrated that new and diverse perspectives must be developed further before a comprehensive appraisal of the Third Reich’s transnational economic relations is possible. Until then the question remains open: What is the usual business of business as usual?