



Hitler's Shadow Empire: Nazi Economics and the Spanish Civil War

by Pierpaolo Barbieri.

Cambridge, MA: Harvard Univ. Press, 2015. Pp. 349. ISBN 978-0-674-72885-1.

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Shortly after their coup began on 17 July 1936, Spain's military insurgents faced a near fatal setback. Unable to secure the maritime transportation to ferry Francisco Franco's Army of Africa to Spain, the rebels immediately sought outside assistance. Using his contacts with Nazi businessmen in Spanish Morocco, Franco managed to gain direct access to Adolf Hitler while he was in Bayreuth attending the annual Richard Wagner festival. Against the advice of his more circumspect Foreign Ministry officials, Hitler responded to the General's urgent plea for help by sending assorted matériel and some twenty Junkers Ju 52 transport planes, twice the number requested. Infused with the Wagnerian spirit, Hitler dubbed this eleventh-hour airlift "Operation Magic Fire." In the coming months, Germany expanded its relationship with the Nationalists, providing them with the armaments, manpower (the famed "Condor Legion"), and finances to undertake their two-and-a-half-year struggle against Republican Spain.

Most historians of Spain's Civil War have concluded that Hitler's snap decision to intervene reflected his deep-seated fear that failure to aid right-wing forces in Spain would risk allowing communist revolution to spread to France and elsewhere in Europe. Scholars have, however, also explained Hitler's ongoing commitment to the Nationalist cause in terms of the military and economic advantages to be gained. The Führer and his advisors came to see the fighting in Spain as a living laboratory for testing Germany's latest weapons, including its "eighty-eight" anti-aircraft gun and cutting edge planes like the Messerschmitt Bf 109 fighter and Junkers Ju 87 (Stuka) dive bomber, which later facilitated the Wehrmacht's successful blitzkrieg tactics during the Second World War.

Hitler also coveted Spain's wealth of iron ores and other raw materials needed for German industry and his emergent rearmament program. The Nazis therefore quickly made financial arrangements with the Nationalists. To conceal their direct military involvement, in late July the Germans set up a civilian company, Sociedad Hispano-Marroquí de Transportes (HISMA), as a conduit for shipping Spain's mineral resources to the Third Reich. To integrate its activities into Germany's increasingly autarkic economic system, HISMA later worked with a government controlled corporation called Rohstoffe-und-Waren-Einkaufsgesellschaft. By investing in the Nationalist cause, the Germans hoped to attain a dominant economic position in Spain that would continue to benefit them after the war.

Challenging main features of the consensus view summarized above, the historian Pierpaolo Barbieri¹ contends in *Hitler's Shadow Empire* that it was Hitler's long-range economic ambitions rather than his preoccupation with the growing menace of Bolshevism or geopolitical objectives that motivated him to enter the Spanish arena at a tense time in European politics. According to Barbieri, Spanish-German relations were meant to form a part of a broader pattern of informal imperialism at the core of Nazi foreign policy in the mid-1930s. In particular, the Nazi regime's "economic dictator,"

1. Harvard Univ. Press bills him as "executive director at Greenmantle and special advisor at the Institute for New Economic Thinking and the Berggruen Institute on Governance."

Hjalmar Schacht, a onetime liberal economist, was seeking to solve Germany's pressing financial problems through a nationalistic program of foreign expansion. While critical of Schacht's tendency to bow to Hitler's non-economic ideological obsessions, Barbieri portrays his protagonist as a shrewd planner who used the Reich's fortuitous intervention in Spain as a springboard to fashion an informal European empire under German domination. In fact, because *Hitler's Shadow Empire* is intended as a case study of how Germany's intervention in Spain laid the groundwork for Schacht's farsighted imperial strategy, much of it is taken up with examining economic matters inside Germany.

Taking center stage in this discussion is the power struggle between Schacht, who reigned for several years as the President of the Reichsbank and Hitler's Economic Minister, and Nazi Party leader Hermann Göring, whose influence over national economic policy eclipsed Schacht's after 1937. For Barbieri, it was over issues relating to Germany's involvement in Spain that the major differences between the two rivals' approaches to economic planning became apparent. The author points out that between 1936 and 1937 the bilateral foreign trade model Schacht devised for Germany's trade relations with Nationalist Spain had produced positive results. Above all, it demonstrated how the creation of an informal empire like the one intimated in the Spanish case would allow Germany to become the economic and political hegemon on the Continent.

Increasingly out of step with Hitler's determined efforts to place Germany's economy on a wartime footing, Schacht eventually saw his plan overturned by Nazi hard-liners like Göring. Instead of pursuing policies that were, in Barbieri's view, consistent with Germany's *Weltpolitik* tradition in foreign affairs, Göring espoused an ideology-driven agenda. Rather than seeing Spain as a building block of Germany's "shadow empire," Göring, Reichsminister of Food and Agriculture Richard Darré, and like-minded party functionaries strove to create a self-sufficient German economy that could support the establishment of a formal empire through military conquest. Even so, the author adds, this change of course did not immediately scuttle Schacht's Spanish experiment. Barbieri points out that, in the end, it was the outbreak of another European war in September 1939 that "wrecked Germany's shadow empire in Spain" (253).

By stressing the economic dimensions of German designs in Spain, this study highlights some important historiographical questions relating to a critical phase in the evolution of Nazi foreign policy. Above all, the author's counterfactual suggestion that Germany would have been able to establish its political hegemony in Europe without resorting to war had the more pragmatic elements of the Nazi hierarchy prevailed over the ideologically blinkered ones is given some credence by the limited success of the incipient "shadow" empire that emerged in Nationalist Spain during the Civil War.

It is therefore disappointing to find in an author attempting to revise our understanding of the role economics played at a critical juncture in German history a tendency to dismiss or downplay factors that contradict his conclusions. Barbieri's claim that Germany's involvement in Spain was driven more by economic considerations than by political ones ignores the well established fact that Hitler's all-consuming fear and hatred of communism dominated his views on foreign affairs. Moreover, major changes in the direction of Nazi economic and foreign policy between 1936 and 1937 saw the rapid and irrevocable decline of Schacht's control over Spanish-German financial arrangements. As a result, Spain's relationship to Germany was more and more defined in accordance with the ambitious political agenda of the Nazi leadership rather than in terms of its value as an informal economic colony. Though he takes note of these changes, Barbieri discounts the overall impact of these shifts in power and ideological focus, arguing that the dual monopoly system functioning in Spain was based on "Schachtian economic structures applied to the foreign sphere" (148).

No less problematic is Barbieri's contention that Spain's economic dependency on Germany at the end of the Civil War can be taken as proof that the Schachtian system of informal imperialism worked.

The main problem with this view is that it ignores a number of key factors relating to the Spanish context. For example, despite facing enormous economic obstacles at war's end, there is no evidence to suggest that the Caudillo was willing to maintain a relationship with Nazi Germany that reduced his country to the status of a colony. Instead, his overriding ambition was to elevate Spain to the status of a prominent imperial power in the new European order being carved out by the fascist regimes in Germany and Italy. Thus, contrary to what Barbieri suggests in his conclusion, it is highly unlikely that Germany could have attained the kind of unequal partnership with the Nationalist regime that Schacht had envisaged in his "shadow empire."

While it is doubtful that *Hitler's Shadow Empire* will force scholars to radically revise their views of German-Spanish relations during the Civil War, Pierpaolo Barbieri's thought-provoking analysis of the role economics played in this conflict serves as a valuable reminder of the extent to which politics and ideology have over-determined our understanding of foreign intervention. From a historiographical perspective, then, readers who can look past some of his more exaggerated claims will find this book rewarding.