THE HINDENBURG PROGRAM OF 1916: A CENTRAL EXPERIMENT IN WARTIME PLANNING

T. HUNT TOOLEY

It has long been recognized that the year 1916 was the turning point in World War I, the year in which, as historian René Albrecht-Carrié (1965) put it, the deeper forces broke through.[1] This process is not nearly as mysterious as it sounds on first hearing. On the battle fronts, the bloodlettings of 1916—Verdun, the Somme, Jutland, and the Brusilov Offensive—expended both lives and wealth at such a rate as to push an already relentless war to a whole new level of destruction and national expenditures. On the home fronts, not least among the costs of these massive battles—and perhaps of all the costs, the most fateful for the twentieth century—was the restructuring of the Western Front governments in such a way that they could extract more and more resources from their populations.

For Germany, fighting on two titanic fronts and against a coalition with resources far greater than those possessed by its own alliance, the year 1916 strained every muscle. The German army launched the Verdun offensive in February with the explicit purpose of bleeding France white and found itself bleeding as well. Moreover, from July until November, the Germans absorbed the powerful blows of the British and French in the Somme attack: though one more often discusses the colossal losses of the British in connection with the Somme, the Germans lost almost 420,000 men killed, wounded, or captured (a greater number than in the whole ten-month abbatoir at Verdun, where they lost only 337,000).

In all the belligerent countries, this terrible year of warfare effected farreaching changes, in fact veritable social crises, at home. It is clear that Western and Central European governments had been drifting toward interventionist economic structures since at least the 1870s, and that World War I accelerated this drift among all belligerents. Further, in all the belligerent countries, the social crisis of 1916 resulted in the very rapid extension of the "command" measures of economics

T. HUNT TOOLEY is associate professor of history at Austin College.

[1]See especially Hayes (1941).

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and politics toward which those governments had been working since 1914, and to some extent during the forty years before the war.[2]

In the German case, this move to the full-fledged command economy, embodied in the Hindenburg Program of August 1916, represents the kind of sudden, crisis-generated growth in the size and appetites of government which Robert Higgs examined (in the case of the United States) in his Crisis and Leviathan (1987, chap. 7; 1999). It is clear that the "deeper forces" of modern war and industrial aggregates were at play in the case of the Hindenburg Program and that, as in all the other belligerent economies, the 1916 measures intensified the German wartime economic and social controls which had been introduced from the beginning of the war. Yet, it is likewise clear from the mechanics of the Hindenburg Program that these fundamental changes in modes of government and economy owed as much to human—indeed individual—agency as to the gigantic forces which had been brought into play. Clearly, a pre-existing central-planning mentality was fundamental to the creation of the total war state, as will be seen below.

It should not be surprising that one of the century's closest students of omnipotent government and the technocratic mentality, Ludwig von Mises, mentions the Hindenburg Plan in a number of passages as the quintessence of the command economy, or Zwangswirtschaft, in Germany during the World War I. In 1940, in the midst of furor for central planning in a later war, Mises pointed out the extent to which most political parties in interwar Europe had adopted important premises of the socialist program. "If the Hindenburg Program had been executed," he wrote in 1945, "it would have transformed Germany into a purely totalitarian commonwealth" (Mises 1974, pp. 25, 77).[3] As it happened, World War I was over before this plan took full effect, but the program—if abbreviated in its duration and somewhat limited in its effects—was disastrous for Germany and instructive for us. In this article, I intend to make two general points about this episode of centralized planning: one about about the genesis, or rather genealogy, of the program, and one about its effects.[4]

For all the aggressive talk of German diplomats and of the Kaiser in the years before 1914, Prussia–Germany—in common with all the other powers—gave little thought to planning for a lengthy war (Burchardt 1967). For one thing, general staff planners relied on their famous Schlieffen Plan as a rapid means of defeating both France and Russia. And indeed, most observers in Germany and everywhere else, assumed that the next war would be a short—if violent—one, since no existing state apparatus could marshal the enormous resources to fight a long war using modern industrial means, high technology (especially modern artillery), and the larger armies that could now—with better means of communication—be fielded.[5]

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[2]See especially Rothbard (1972, 1998). For the European context, a good place to start is the Introduction and useful collection of primary texts in Clough, Moodie, and Moodie (1968).

[3]For the broader context of interwar Austrian-School thinking about war planning, see Caldwell's excellent Introduction in Hayek (1997, pp. 5–19).

[4]For histories of the Hindenburg Program, see Feldman (1966), Mendelssohn-Bartholdy (1937), and Kitchen (1976).

[5]German experts predicted that future wars could only last from about six months to a year, see Burchardt (1967, pp. 14–50) and also Farrar (1973).

On the other hand, the so-called "mixed" form in which German autarkic state socialism emerged during World War I had plenty of precedent in the history of Prussia, a state that had survived into the modern period through a combination of controlling and ransacking the economy and the promotion of an ideology of aristocratic collectivism. Various German states and Prussia in particular had experimented with economic liberalism in the nineteenth century, it is true, and unified Germany was for some time influenced by free-market thought.[6] But by the 1880s, Germany was expanding on the earlier Prussian heritage of "mixing" the economy by privileging various industries in various ways, setting up wide-ranging protectionist policies, assisting in the building of monopolies and cartels, and maintaining direct government ownership in parts or all of many enterprises. The whole program was bolstered by Adolf Wagner and other Kathedersozialisten, who promoted government coordination of all segments of society.[7]

Once the short war proved illusory—that is, after the failure of the Schlieffen Plan by October 1914—the German government found itself in a war which rapidly outran resources. Inflationary financing to transfer wealth to the government could go only so far in fighting a war on multiple fronts and on the high seas. Indeed, the sea-related problem of being cut off from imported goods (by the British navy) really pointed out what many military and civilian thinkers regarded as the two essential problems of the war economy: first, the need to achieve some kind of sufficiency within German borders, and second, the lack of a carefully planned economic regime analogous to the military planning of the general staff system.

Less than ten days after the war broke out, Walter Rathenau, industrialist and visionary author, met with the chief of the general staff, conveying the fears of one of his engineers—Wichard von Moellendorff—that metals would be in extremely short supply should the British set up a tight blockade. By August 9, Rathenau was head of a new War Raw Materials Office within the War Ministry, with Moellendorff as his assistant. Its function was to organize raw materials production for the war effort. Its influence on the shape of German war organization was tremendous and eventually reached far beyond the areas of industrial raw materials in both its direct and indirect influence. And though Rathenau resigned in March 1915, both he and Moellendorff proved influential at the highest levels not only throughout the war, but after the war in working to create the social-welfarist system of the Weimar Republic (Feldman 1966, pp. 45–50; Brecht 1966, pp. 272–74).

A brief look at these two planners is worthwhile.

Walter Rathenau, born in 1867, was the son of German industrialist Emil Rathenau, founder of the giant electrical company Allgemeine Elektrizitäts-Gesellschaft (AEG). Related in part to his experience in the cartelized German economy, and in part—as most of his biographers hold—to the secret shame of his Jewish

[6]Tilly (1966) demonstrates that Rhineland industrialization benefitted greatly from a nearly unintentional attitude of laissez-faire concerning currency and banks; in Hentschel (1975) and Raico (1999) one finds much material about the significant free-trade movement in Prussia and Germany, a movement which, however, was overpowered by the protectionism of the late 1870s.

[7]A good description of "Prussian Mercantilism" and state socialism before 1914 is in Bruck (1962, pp. 35–60).

heritage, Walter Rathenau began to develop a romantic or mystical condemnation of "machine civilization," whose labor and distribution problems could be solved by the kind of monopolistic integration and central decisionmaking that he oversaw for a time as a board member at his father's company. Social Darwinist overtones were clear in several prewar books on the subject of what one might call the philosophy of the planned economy. In the decade before the war, he studiously associated himself with government officials and dollar-a-year type missions. Hence, when he presented himself to Field Marshal Falkenhayn a week after the war started, there was a certain logic in making the mystical technocrat Rathenau the head of industrial planning for war (Pachter 1982; Kessler 1930; Joll 1960).

Rathenau's most important assistant was Wichard von Moellendorff, an engineer in AEG. Of aristocratic background, he had become a disciple of the American efficiency expert Frederick Winslow Taylor, Social Darwinist and environmentalist planning guru.[8] Even before the war, Moellendorf hoped to control unruly individuals and prevent inefficient competition by erecting an autarkic state in which vertical and horizontal integration of industry, and its control by government overcame the selfish inefficiencies of individual choice. The war provided him the chance (Feldman 1966, pp. 46–47; Bruck 1962, pp. 136–41).

The planners were trying to reorient and reorder an economy under the gun. In summing up the work of the Raw Materials Office after its first year in existence, Rathenau claimed that the interventionist planning of the group had "no precedent in history" and would "in all probability is destined to affect future times." "Coercive measures" were, of course, necessary from the beginning, since the war effort would demand priority for supplies. Yet, the attachment of Germany to the rule of law was problematic to the planners: laws relating to economic and industrial life had hardly changed, Rathenau said, since the time of Frederick the Great.[9] This "defective and incomplete state of our laws," that is, presumably, those laws protecting the freedom and property of individuals, was remedied by a new regime in which old words were given new meaning:

> The term "sequestration" was given a new interpretation, somewhat arbitrarily I admit, but supported by certain passages in our martial law. . . . "Sequestration" [now] does not mean that merchandise or material is seized by the state, but only that it is restricted, i.e., that it no longer can be disposed of by the owner at will but must be reserved for a more important purpose. . . . At first many people found it difficult to adjust themselves to the new doctrine. (Rathenau 1932)

No doubt many did find this adjustment difficult. Yet, neither the Raw Materials Office nor various other economic planning units relied solely on simple "sequestration": indeed, the planners recruited many industrialists into boards to coordinate

[8]See Taylor (1967). Taylor deplored the "wastes of human effort" as it existed in his own "blundering, ill-directed, or inefficient" society. And he proposed extending his principles of scientific management to every sphere of life to achieve "national efficiency."

[9]Frederick the Great, for all his own statist economic enterprises, did in fact try to blend the old Prussian respect for law with the Enlightenment respect for the individual. The circulation of the story of "the Miller of Sans Souci"—a story in which the Miller stands up to the young king by pointing to the power of law—demonstrates something of this devotion, whether the story is apocryphal or not. Rathenau's reference to Frederick the Great here is quite specific.

their own output and prices for the sake of the war effort. Cooperation was important for the producers, for over time, the state used its authority to starve small and medium industrial producers of both labor and raw materials and then to consolidate these plants into one of the great cartelized government-supported concerns. For example, one contemporary observer reported that thousands of local German electrical companies disappeared, to be incorporated into the "rationalized" fold of either AEG or the Siemens concern. Some branches of industry were "reduced" by half in order to "save" on labor and raw materials, according to historian Gerald Feldman: "Of the seventeen hundred cotton-spinning and -weaving plants operating before the war, only seventy 'high productivity' plants were functioning in 1918."[10]

In practice, of course, in spite of the efficiencies dreamed of by Rathenau and Moellendorff and their fellows, the results reflected instead the impossibilities of planning. Germany did produce enormous quantities of military goods during the war. And as central planners go, Rathenau—an experienced businessman—was more familiar with the realities of production and distribution than most of the long string of central planners in the twentieth century. But one must emphasize here the Austrian School point that expertise is hardly the point at issue, but rather the impossibility of the kind of calculation that takes place within the market, or that would have to take place as a substitute for the market. Rathenau was undoubtedly a brilliant "planner," but the war planning nonetheless resulted in a disastrous cost to society.

One spectacular case illustrating both the complexities and the cost of planning is the Pig Slaughter of 1915. Beginning in November 1914, the government had put in place price ceilings on potatoes, which made it more profitable for farmers to feed their potatoes to their hogs than to sell them, though the government also rapidly outlawed the foddering of potatoes. The inevitable potato shortages were immediate and severe. In the cities, outcries were raised, but against the farmers rather than the government. Soon, journalists and politicians were claiming that people and pigs were in a competition for the potatoes, and that some portion of Germany's twenty-seven million pigs must go. Beginning in March, the government therefore signed the death warrant of nine million pigs. It is hardly surprising that in this welter of planning and intervention, neither potatoes nor pork became more plentiful (Davis 1992; Lee 1975).

And yet the measures taken by the central government do not tell the whole of it. Local authorities from the federal state downward likewise partook in the planning hysteria. A collection of documents concerning food control in the Lichtenberg section of Berlin, assembled in 1916, contains 180 separate decrees, regulations, and ordinances, and these don't even include national directives from the real central planners. Item 82 ("Ordinance on the Regulation of Meat Consumption") gives something of the flavor of this collection. Apart from the basics of regulating meat sales, such as adjusting the definition of "fat" and limiting the relative amounts of meat on the bone and deboned meat that might be purchased, there were far greater intricacies, such as the control of the Meat Card, without

[10]Feldman's (1966) view of their work is fairly positive. A conservative observer writing from the vantage point of 1918, however, saw things a good deal differently; see Lambach (1918, pp. 20–32; a copy of this polemical booklet is in the "Krieg 1914" Collection of the Prussian State Library, Berlin). For the figures and quotation at the end of the paragraph, see Feldman (1993, pp. 78–80).

which no one would get meat rations. Most of the people concerned lived in rented housing, and the Meat Card was carefully policed by the building owner (dragooned into the service of the state), with the help of the Building Executive Committee. To quote directly, "Should an occupant of the building die, or if he moves to another location, the Building Executive Committee has the duty of delivering the Meat Card formerly belonging to that building occupant immediately to the Nourishment and Grocery Section of the City Council" (Lebensmittelversorgung 1916). Such had become the fabric of life by 1916.

The Hindenburg Program itself was really the outgrowth of these efforts at Command Economy. The background was the intensification of the war in 1916, the result of the slaughters of Verdun and the Somme, and the subsequent replacement of the chief of the general staff, Erich von Falkenhayn, by the victors of the Eastern Front, Hindenburg and his lieutenant, Ludendorff. The explicit plan of Falkenhayn at Verdun had been to unleash attack after attack on the French with the objective of "bleeding the French white." German losses were, of course, likewise massive, and the level of artillery shells being fired off reached a new plateau. The British attack on the Somme as of July 1, 1916, drained German resources still more. The civilian and military leadership of Germany therefore faced a shortage of shells and before very long a shortage in productive capacity along a broad front of items to support the intensified war effort. Under these circumstances, at the end of August 1916, Falkenhayn was replaced.

Walter Goerlitz, historian of the German general staff, asserted that in essence Falkenhayn left command because he was unwilling or unprepared to effect a transformation of the economy from the "traditional profit economy" and the standing aspiration of workers for an "enhanced standard of life" (Goerlitz 1953, pp. 172–73). Falkenhayn was perhaps worried about revolutionizing the social structure of Germany, but it was nonetheless the case that the previous controls were already being discussed as "war socialism." Hence, one wonders whether Falkenhayn's departure resulted from his own scruples, from what was perceived as strategic failure at Verdun, or from what might at that time have been termed simply "lack of energy."

Certainly the ousting of Falkenhayn had been the object of a fairly diverse coalition comprising officers from the general staff, steel producers who objected to irregular methods of general staff planning, and politicians who wanted to bring Hindenburg to supreme command in order to cash in on his public image. Coordinating these efforts was an officer on Falkenhayn's staff, Colonel Max Bauer, who was already making plans for a "total war" regime well before Hindenburg and Ludendorff came to the rudder (Ritter 1972; Williamson 1971, pp. 172–73). Ludendorff had always been the workhorse and planner behind the successes of the famous team, and Bauer's long-range interest in harnessing the resources of Germany in a "total" fashion found echoes in Ludendorff's own opinions: Ludendorff had openly espoused the idea that instead of half-measures, the country ought to go on a total-war footing, to correspond with unlimited submarine warfare, and eventually total victory as opposed to negotiated peace.[11]

Yet in all probability, Colonel Bauer—who would be active in the Nazi Party at a later period—actually laid out the elements of what became the Hindenburg

[11] On Ludendorff's ideas, see Rosenberg (1962, pp. 123–37).

Program. Bauer worked out his plan in conjunction with Moellendorff, with whom the general staff officer had come into contact through Fritz Haber, Nobel Laureate in Chemistry, introducer of poison gas to the battlefield, and later advocate of total government. Eventually General Wilhelm Groener, a technocratic general who in October 1916 was working as head of the army rail transport service and as a board member of the War Food Agency, was brought into the planning elite as head of a new Kriegsamt, or War Bureau, with coordinating powers over the whole economy (Ritter 1972, pp. 351–52). Soon, the planning elite was filled out with other industrialists, military men, and individuals from many parts of the political spectrum who cooperated in working out the coercive details of the Hindenburg Program (and some of whom would later assume the same role in Hitler's economic and strategic-planning apparatus after 1936). As Gerald Feldman has put it, Moellendorff viewed the whole program as "the institutional framework for a new economic order" (Feldman 1966, pp. 66–68; Stern 1987), and a variety of men seemed well up to the job of forming a new planning elite of very diverse origins.[12]

In any case, the program was launched almost immediately after Hindenburg and Ludendorff took over. With a distinct Stalinist air, but without outright expropriation of property, the Hindenburg Program called for large increases in heavy industrial output of weapons and ammunition, in some cases doubling, even tripling production. As a contemporary economist evaluated the plan, "the so-called Hindenburg Program claims the remainder of our goods production for the use of the state, at the same time that the new demands have made the increase and extension of our current production facilities necessary."[13]

In December, moreover, the planners pushed through an acquiescent parliament the Patriotic Auxiliary Service Law to make every German citizen from seventeen to fifty liable to involuntary wartime service. Justifying this measure, Bauer wrote in September 1916, "There are thousands of war widows who are only a burden on the government. Thousands of women and girls are either simply idle or pursuing unnecessary occupations." Trying to shore up labor shortages from other sources as well, Ludendorff oversaw the rounding up of tens of thousands of forced laborers from Belgium and northern France to work for the German war effort.[14] Some parts of the plan were never realized before the war ended: closing of universities, calling up all the weak and unfit so that they could heal at "suitable stations," compulsory labor for the whole population "more or less in conjunction with the distribution of food tickets." As Hindenburg wrote in September 1916, "The whole German nation must live only in the service of the fatherland."[15]

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[12]A very similar configuration of planners from diverse sectors—a good many of them actually the same individuals—worked together in a kind of economic planning elite under Hitler after the mid-thirties. Hermann Schmitz of I.G. Farbenindustrie, planner under both the Hindenburg Program and the 1936 Four Year Plan provides a study in this kind of continuity. See especially Carroll (1968), Petzina (1968) and Thomas (1966).

[13]Much of the official documentation is published and available in English in Ludendorff (1971). See also the contemporary analysis of Wiedenfeld (1918, p. 16).

[14]Hindenburg is quoted in Asprey (1991, pp. 284–86).

[15]See the proposals sent over Hindenburg's signature to Bethmann Hollweg, 13 September 1916, printed in Ludendorff (1971, pp. 77–81). The quotation comes from page 79.

The results of this massive intensification of intervention into German society might have been predicted. The various increased output quotas led to a national railroad crisis in early 1917. Working conditions in factories worsened as hours lengthened. Accident rates shot up as lesser skilled workers were pushed into skilled jobs. Food supplies were already short as a result of the British Blockade, but an amazing array of substitute (Ersatz) products had up to now staved off starvation. Now, as more of the country's resources went into war production, food supplies dropped dramatically. Bad weather also produced a shorter than average growing season and hence a poor harvest. The first winter of the Hindenburg Program was remembered bitterly as the Turnip Winter: the allotment of food in Berlin consisted of between two and six pounds of turnips (or, if available, two pounds of bread), less than two ounces of butter, and one ounce of margarine, one of the many Ersatz products created by war shortages. Inadequate food supplies led to strikes in Berlin, the Ruhr, and other areas in early 1917. On top of the death and destruction prevailing at the front, the human misery of Germany under the Hindenburg Plan was enormous (Davis 1992, pp. 287–88; Feldman 1966, pp. 325–27).

Meanwhile, state-supported scientists held public lectures reassuring Germans that they were not really hungry. "Our nutrition," one such "scientist" put it at the end of the Turnip Winter during a lecture in Berlin, "is totally outstanding!" Indeed, the same lecturer pointed out all the advantages accruing to the German wartime diet. One could hear, the Professor allowed, that certain ignorant classes of the population were spreading rumors about starvation, but in reality, the newly efficient diet was not only plenty for even the heaviest work, but had contributed signally to the eradication of disease: "Certain diseases . . . have almost disappeared." This positive thinker and others went from lecture to seminar spreading the happy word about the health benefits of food planning. Teachers and pastors gathered for three-day meetings, after which they could spread abroad the good news about the newly engineered diet and pass along ideas about efficient cooking and new recipes (many of them including turnips) (Abderhalden 1917; Deleiter 1917).

Suffice it to say that the multifarious frictions of war and a worn-out, hungry home front made it impossible to implement all the points of the Hindenburg Program, even before the war ended in November 1918. Hence, the universities of Germany were never closed and ransacked to create labor battalions, and compulsory mobilization of women was never fully carried out. Still, the plan went far enough in the dislocation of the war-wrecked economy that it certainly prepared the way for the economic, political, and social chaos encountered by Germany's soldiers when they made their way back home.

Central planning is, of course, a kind of contradiction in terms. Mises, Hayek, and the Austrian-School economists since that time have pointed out again and again that only a free market is capable of producing anything like a systematic and accurate method of calculation for economic planning. Mises certainly allowed for warlike activity on the part of the state:

> The defense of a nation's security and civilization against aggression on the part of both foreign foes and domestic gangsters is the first duty of any government. . . . It is the government's business to make the provisions for war. (Mises 1962, p. 24)

But it is axiomatic that Mises—and the Austrians after him—considered war and the growth of government to go hand in hand. Governments have a natural proclivity

to grow during war and the society must then alter its production profile in order to fight the war, especially a modern war. Once begun, there remains the question of whether the massive weapons of choice will really activate the necessary power-enhancing spiral desired. The Hindenburg Program illustrates that the war planning apparatus of the modern state tends to draw to it many individuals who hope to use war to change the system permanently.

An explanation by comparison may help here. The American collectivist philospher John Dewey, a contemporary of the Hindenburg Program elitists, plumped enthusiastically for American entry to the war. The war represented to him "a plastic juncture" in history, during which right-thinking leaders could mold the United States easily in the direction of "social possibilities," to remodel "the individualistic tradition," to make "instrumentalities for enforcing the public interest in all the agencies of production and exchange," to establish "the supremacy of public need over private possessions" (Kennedy 1980, pp. 50–51).

Any one of these phrases could have come from the pen of Rathenau or Moellendorff. It was indeed a team of elitist collectivists much like Dewey who did the wartime planning in Germany. Interestingly, before American entry into the war, another great American elitist and advocate of a new progressive order, Edward Mandell House, met Rathenau in the course of his negotiations. Highly impressed, House wrote to Wilson: "I met last night an able and sane man by the name of Dr. Rathenau. . . . He has a such a clear vision of the situation and such a prophetic forecast as to the future that I wonder how many there are in Germany that think like him" (Seymour 1926, vol. 1, p. 402–03). Like surely recognized like here, as the author of Philip Dru: Administrator[16] encountered a real soulmate.

The Hindenburg Program was a disaster for Germany and for the modern world. For Mises, the plan represented a decisive step by Western governments in the adoption of central planning without the unpopular "socialist" overtones of nationalization of the means of production. Most political parties in interwar Europe, Mises wrote in 1940, had adopted important elements of the socialist program, but "Their socialism was not that of Lenin who wanted to organize all industries along the lines of the government postal service. Their socialism was the command system of the Hindenburg Program of the latter part of World War I and the 'German' socialism of Hitler" (Mises 1978, p. 15). From the midst of intellectual battles against central planning and the command economy—battles fought principally by Mises and Hayek—a generation later, the Hindenburg Program proved both primal event and apt shorthand for the evils, wrong-headedness, and indeed inefficiencies of command economies whatever their remove from 1916, and even in peacetime.

Finally, there is perhaps a valuable lesson in the Hindenburg Program episode which has to do with the psychology of wartime planning and indeed central planning in general. From Saint-Simon to Comte to Marx to Dewey to Rathenau to Stalin, the argument of collectivism from the standpoint of "the good of the whole" has a less optimistic argument on the reverse side, this one from the standpoint of

[16] House authored a novel of this title in 1911, publishing it anonymously in 1912. The novel envisioned the introduction of a new, "progressive" constitution by means of the dictatorship of the novel's hero, Philip Dru. The resulting order resembled in many respects the kind of collectivist, technocratic decisionmaking advocated by Rathenau. See House (1912) and Seymour (1926, pp. 152–54).

"the ignorance and incompetence of the whole." Those who want to plan the lives of others are operating from a psychology of superiority, of the technocratic elite, of the master race in some variant. It may be that this psychological tendency is prevalent among the personality types who end up in the top positions in all modern mass political systems. It certainly seems to be easier to advocate top-down control and justify it by verbiage about protecting the whole of society than it does to be a Jefferson, or a Bastiat, or a Mises and say, simply, "Why not try freedom?"

In any case, the kind of profiling and background check done above on the family history of the Hindenburg Program suggests that schemes of this kind do not derive from the helpless situation of men who are forced to create collectivism against their will. Instead, the totalitarian ethos of the twentieth century, whether in the "mixed" version of the Hindenburg Program or the Bolshevik version of Lenin and Stalin, emerges from the will of individuals who propose to control their fellows. Moellendorff appropriately took as his personal motto a phrase from Walter Rathenau: Wirtschaft ist nicht mehr Sache des einzelnen, sondern Sache der Gesamtheit (The economy is no longer simply a private affair, but the affair of the community.) Well, yes, but based on community decisions made by technocratic adminstrators such as . . . himself.

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