

**Population policy and economic exploitation. The German occupation of Belorussia (1941-44)**

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**Introduction**

In the macabre list of European regions ravaged by Nazi occupation there are a few that make it to the top. Belorussia can, no doubt, lay claim to this status. Of all the Soviet republics the BSSR was the most terribly devastated. There could have been hardly a family on her territory that was not touched by the effects of genocide, hunger, deportation and destruction.

Belorussian demographic losses during the occupation were 1.6-1.7 million, about 20% of the total of 9 million in summer 1941<sup>1</sup>: 700,000 prisoners of war (PoW), half a million Jews, 345,000 victims of partisan warfare, plus another 100,000 from other population groups.<sup>2</sup> The overall significance of the two largest groups of victims (prisoners of war and Jews) lies less in the absolute figures than in their ability to reveal a clear German intention of targeting and exterminating - in their entirety - specially designated and selected groups. To a somewhat lesser degree this total annihilation drive also applies to the other groups of victims.

In varying degrees all Belorussians had suffered hunger and starvation. The consequences of malnutrition, starvation and disease were particularly severe for children and old people. In one district their numbers suffered an even larger per cent reduction than those of the age group 15-55.

About 380,000 Belorussians were deported to the Reich for slave labor. Of the population remaining behind about two million had been forced to relocate, flee or evacuate at some point. As a result of destruction and massive relocation less than half of the population still lived at their pre-war domicile at the end of the occupation. Four million could still claim a roof over their head, while three million had become homeless.

The material damage was equally horrid: 209 towns and 9,200 villages were totally destroyed. The number of industrial plants had been reduced by 85%, their capacity by 95%. Livestock herds were reduced by 80%, land surface area planted with cereals by 50%.<sup>3</sup>

Faced with genocide, mass destruction and systematic pillage on such a scale, pondering business or economics as part of the general equation may seem somewhat misplaced. What kind of business could there have been under these conditions, apart from the business of survival? Such a reaction can be hardly surprising. However, I will demonstrate in the following sections that the inclusion of the economic dimension makes imminent sense and reveals the intricate logic of this occupation. As demonstrated in a recent landmark publication, it goes straight to the core of the problem.

The first objection needs to be supplemented by a second, the basic absence of 'business' or 'business culture' comparable with anything in Western or Northern Europe. Eastern Belorussia, together with the capital Minsk, had been collectivized and sovietized in the 1930s, leading to the eradication of private business. The Western part of Belorussia had come under Soviet control only in 1939; but even there the decimation of 'bourgeois' entrepreneurs (especially Jews and Poles), Kulaks and other 'unreliable elements' through deportations to Kazakhstan and other places had taken its toll.<sup>4</sup> What was left were pre-industrial artisanal trades or commercial ventures where Jews (who constituted at least 40% of the population in the major Belorussian cities) were over-represented.<sup>5</sup> A question arises: on what elements should research on business in occupied Belorussia be focused? A focus on the relationship between German and local business, as existed in other occupied countries, can naturally only lead into a dead end. In comparison to other occupied countries the commitment of

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<sup>1</sup> Pre-war population figures were 10.5 million. Of these between 1 and 1.5 million escaped the German advance in summer 1941.

<sup>2</sup> To this one should add several hundred thousand Belorussians enrolled in the ranks of the Soviet army who had fallen in combat, raising total Belorussian population losses in the 'Great Patriotic War' to about 25%, s. Gerlach, 1158.

<sup>3</sup> Gerlach, 11; 462; 1159-61; Schulte, 176.

private German business was quite limited, the only notable exception to this lack of interest being the potential for the recruitment of cheap Belorussian slave labor. Otherwise the idea of agricultural exploitation and de-industrialization dominated largely; and neither was the business of German entrepreneurs. Looking at occupied Belorussia with a business-focus makes most sense if we consider the two main competitors for Belorussian resources: Germans and Belorussian civilian population trying to find subsistence. Therefore, in my view, a focus on evasion of economic control, and the black market as an alternative form of business, is most worthy of study.

### **The defining co-ordinates: food, forced labor and extermination**

With the publication of his *Kalkulierte Morde. Die deutsche Wirtschafts- und Vernichtungspolitik in Weissrussland 1941 bis 1944* (Hamburg, 1999)<sup>6</sup>, historian Christian Gerlach produced a quantum leap in the historiography of the Belorussian occupation. It is certainly no exaggeration to say that Gerlach has identified the basic factors conditioning this occupation, creating a standard (or benchmark) which future studies cannot afford to ignore. One of the main results of this research had been to relativize the 'mainstream' interpretation of mono-causal ideological premises (antisemitism, racial prejudice, anti-communism, chauvinism, social-darwinism) as the sole or even principal 'detonator' of Nazi genocide. Clearly, many post-war historians had become so stunned by the extent of Nazi mass murder that only an a-materialistic case of *ideologische Verblendung* could serve as an appropriate, proper and dignified enough explanation. However, multiple connections between extermination policy and economic targets point to a different story. In Gerlach's analysis the real 'detonator' came in the form of solid material motivations, while the role of ideology was that of an 'enabler' designed to loosen inhibitions. Two material items in particular - food management plus the pressing need for labor after the end of the Blitzkrieg in late 1941 - had a far from negligible impact. This result presents a challenge to the traditional primacy of ideology in providing a suitable explanation for Nazi extermination policy.

Before engaging in an interpretation, however, let us turn to a description of facts and events.<sup>7</sup> About half of pre-war Belorussia remained under military administration for the whole of the occupation. The other half was placed under the civilian administration of a general commissar, Wilhelm Kube, subordinated to the Riga-based *Reichskommissariat Ostland* (comprising Belorussia and the Baltics), under Hinrich Lohse. A second *Reichskommissar*, Erich Koch, was installed in Ukraine. Their nominal Berlin overlord was Alfred Rosenberg, Reich Minister of the Eastern occupied territories, but this subordination was largely restricted to political questions. Moreover, the Rosenberg ministry also served as a transmission belt between Reich central services and the Eastern occupied territories. This had little influence on the routine day-to-day running of the occupation where the *Reichskommissars* had a free hand. Further important prerogatives were exercised by SS, Wehrmacht and Goering's Four-Year-Plan.

Naturally, the division of authority and the doubling of efforts through the installation of special plenipotentiaries led to friction. Nevertheless, the results of German rule demonstrate how harmonious collaboration between German services actually was. Especially the post-war perception of a SS solely responsible for murderous excesses in the East needs revision. The overbearing proof pointing to the involvement of military, civilian administration and harmless-sounding economic services in the planning and implementation of population, food, slave labor and extermination policy shatters the myth that some German services came out of this trial with clean hands. Bureaucratic chaos and polycracy in no way impeded German authority, as there was general agreement on the basic precepts – colonization of the territories, production of agricultural surplus through starvation, extermination of Jews, other 'objective enemies' and useless eaters, and, finally, de-industrialisation/de-urbanisation. Therefore, despite the often conflictual relationships between German services a general consensus prevailed. Competition between German services even created a dynamic accelerating violence and often leading to the adoption of the most extreme measures. This clockwork mechanic has been well documented by research on the development of the 'Final Solution'.

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<sup>4</sup> Chiari, 36-48.

<sup>5</sup> Hilberg, 305.

<sup>6</sup> Translation: Calculated murders. German extermination and economic policy in Belorussia 1941 to 1944.

<sup>7</sup> For the entire section s. Gerlach, 1126-1143.

The Germans had no intent of settling occupied Belorussia with colonists, at least not for the duration of the war.<sup>8</sup> Population transfers, such as practiced in Western Poland, also played no determining role. The aim lay on exploiting the Belorussian rural population as farm labour.

In order to understand the German focus on agricultural production one needs to take a look at the wider strategic situation. Already in January 1941, during the planning of operation *Barbarossa*, the Reich Food Ministry had come to the conclusion that additional resources should be reaped from agricultural surplus areas of the to-be-invaded Soviet Union. Following the basic idea, this would entail the diminution of supply to areas with a deficit in agricultural production (and importing from the surplus areas), in particular the industrial centers of Northern and Central Russia. Thus a 'hunger plan' was envisaged which projected the reduction of the Soviet population by 30 million heads. Industrial capacities would no longer be necessary in a future German Empire where Eastern Slavs would be reduced to a status of agricultural slaves. This de-urbanisation and de-industrialisation of Russia was just another consequence of the 'hunger plan', the most massive genocide plan of human history.

The plan responded to two logics: cut off from intercontinental trade through the British sea blockade and in no way able to attain either self-sufficiency or adequate supplies from 'fortress Europe', the Reich faced a severe food crisis, reminiscent of the situation during the First World War. Hitler became actively involved in the issue, fearing a drop in German morale and considering the enlargement of the food basis a priority question that had to be resolved, no matter what the costs. Secondly, the military planners of *Barbarossa* had in no way made provisions for a satisfactory supply of their troops. In the interest of a speedy advance they calculated that the limited transport and logistics infrastructure in the Western part of the Soviet Union had to be kept open for military priority items: war materiel and fuel. Therefore, from the beginning, it was calculated that German troops would supply themselves through living off the land. The needs of the civilian population and, later, of the masses of prisoners of war, were left out of the equation, intentionally. They were to disappear through undernourishment, in the interest of the pursuit of Blitzkrieg. Additionally, in order to stamp out potential for revolt, it was agreed to target and annihilate those groups of Soviet citizens who were perceived as the main proponents of Bolchevism, such as Jews.

Soon after the invasion the 'hunger plan' (or at least those components of it extending to the urban populations not targeted for immediate annihilation) revealed itself as unrealistic, even naive. Naturally the population refused to simply stay put and starve in the cities that were cut off from food supplies. Instead they dissipated in the countryside and started building parallel supply structures. Others acquired small allotments where they could grow potatoes or vegetables. Secondly, the occupation relied on a minimum of infrastructure services, and these could only be provided by local labor. One very significant example was the transport infrastructure. Repairing, maintaining and running the railway network in the area of *Heeresgruppe Mitte* required the assistance of over 80,000 locals. The withdrawing Soviets had succeeded in evacuating large numbers of locomotives and the vast majority of railway cars, creating a transport crisis. As a result the broad gauge of the network had to be changed over to European standards and rolling material had to be brought in from Western Europe. Despite feverish efforts, by summer 1942, only 20% of pre-war structures were available.<sup>9</sup>

Therefore, a few weeks into the occupation, troop commanders and military administration restored supply of food to the city populations. These were still no full rations. Typically, so-called 'useful workers' received 1,200 calories per day, others 850, while children under 14 and Jews received a mere 420 calories.<sup>10</sup> However, with the help of additional provisioning in the countryside the majority would now starve, rather than starve to death.<sup>11</sup> The case of the prisoners of war was different:

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<sup>8</sup> This premise already shatters the jewel in the crown of the Soviet Belorussian historiography of World War Two, which had always confounded the actual existence of a German settlement plan with its real-life implementation. This 'battle zone' is heavily contested by some Minsk historians.

<sup>9</sup> Werner Haupt, *Heeresgruppe Mitte, 1941-1945*, Dorheim 1968, 256 pp.; H. Pottgeister, *Die Reichsbahn im Ostfeldzug*, Neckargemuend 1960, cited in Shulte, Theo, 'Living standards and the civilian economy in Belorussia', in: Overy, Richard J. et al. (ed.), *Die "Neuordnung" Europas. NS-Wirtschaftspolitik in den besetzten Gebieten*, Metropol, Berlin, 1997, 179.

<sup>10</sup> S.B.Clough, *The Economics of World War II*, in *European Economic History*, London, 1968, 477, cited in Shulte, Theo, 'Living standards and the civilian economy in Belorussia', in: Overy, Richard J. et al. (ed.), *Die "Neuordnung" Europas. NS-Wirtschaftspolitik in den besetzten Gebieten*, Metropol, Berlin, 1997, 180.

<sup>11</sup> No comparison is intended here between the murderous severity of German-occupied Belarus and the relatively benign post-Soviet situation. However, strategies of livelihood procurement in present-day Belarus are at least reminiscent of civilian practices during the war. In a very large number of cases, official urban salaries ranging from anywhere between 40 and 150 USD per month need to be supplemented by

contrary to the civilian population this group of Soviet citizens could be kept under control in the improvised camps, under appalling conditions.

In September 1941 the original eliminatory intentions of the German machinery attained new momentum. By then it had become sufficiently clear that the Soviet Union had not collapsed and that, once the shock of the attack and the losses of the first weeks had been overcome, the Soviet army was proving itself a formidable opponent. Military operations would continue into 1942. It was the Germans, and in particular *Heeresgruppe 'Mitte'*, who were now facing a crisis, limiting their transport capacities to the supply of ammunitions, fuel and equipment. Another result of the new situation was that the Reich food management plan for 1942 had to be modified. This entailed an even larger strain on the resources of the occupied territories and a re-launch of the 'hunger plan', in a modified version: civilian rations were lowered again, the extermination of Jews was now extended to comprise entire communities, the non-supply of prisoners of war became systematic. Finally, a killing campaign was initiated against urban and military fugitives in the countryside, the so-called 'wanderers', together with first punitive expeditions against the developing partisan movement.

In parallel, the second overriding logic of German policy - the search for forced labor - also materialized. This new need, another consequence of the failed military campaign, was only in partial contradiction with the declared aim of the 'hunger plan'. Again perception played an important role: the reservoir of available workers in the occupied territories was deemed to exceed by far the immediate needs of the German war economy. Thus the starvation and extermination policy remained in force, in particular with regard to Jews and Soviet prisoners of war.

1942 heralded an increase in the recruitment of forced labor and the beginning of a more systematic exploitation of agriculture and industry. In February 1942 the colchoses were dissolved in the framework of an agrarian reform and replaced by smaller exploitations that were easier to survey and to exploit. All in all, agrarian reform was to create a better quantitative basis for registration and control of rural resources, and a speedier implementation of the labor draft. At the same time more and more people were being employed in essential *Wehrmacht* services in the cities. While unemployment had still existed there the preceding year, by 1942 it had subsided. Slowly a contradiction began to materialize between the aim of raising agricultural production, on the one hand, and the maintenance of a large enough workforce for the urban infrastructures, on the other hand. As a consequence the Germans started to differentiate increasingly between workers and non-workers. For some time this differentiation also extended to the remaining Jews. However, from autumn 1942 the killing of Jews developed its own logic, independent of economic or other considerations. To paraphrase Gerlach's words: the crime, once begun, now tended towards its completion.<sup>12</sup> In fact, the inclusion of Jewish skilled workers and artisans in the extermination measures of late 1942-early 1943 was one of the few instances where ideology did override economic rationality.

1943 was the year of the killing fields, of the burnt towns and villages. This was the result of a German terror campaign using the pretext of partisan warfare as a means for penetrating and restructuring the Belorussian countryside. The origins of this terror campaign were laid already in 1942, when, faced with a higher demand for civilian labor, the German occupation turned its attention to the countryside where a hidden reservoir of several 100s of thousands of eligible workers was suspected. As on other occasions, the loss of a sense of reality led to the rather unreflecting assumption that drafting this labor would proceed according to a best-possible-case scenario; potential problem zones in the implementation of the measure were deliberately ignored. In reality labor recruitment confronted severe obstacles: too many city-dwellers had been murdered or deported to Germany in the first half of 1942 to be replaced on a short-term basis. In addition, German penetration of the countryside was weaker than expected, the potential for evasion of control much larger than in the towns.<sup>13</sup> Thus, in October 1942 only half of the rural workforce in the *Generalkommissariat* had been registered with the German *Arbeitsamt* (employment office). To complicate matters further the long arm of the partisan movement was now also exerting its influence and creating effective obstacles to German rule over

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alternative means. These include second or even third jobs, moonlighting (black work), trading 'on the side', receiving food from relatives living in the countryside or with access to collective farms/food processing plants. In some cases this may involve more organized forms such as cross-border shuttling and smuggling, or the barter of stolen goods. All this informal and illegal economic activity follows patterns already established during the Soviet period, and probably even before.

<sup>12</sup> Gerlach, 1140.

<sup>13</sup> The town-countryside divide is an important feature for the study of occupied countries.

the countryside. As a reaction to seeing large areas slip out of their control, the German authorities replaced lack of prior planning by willpower (a 'crisis management tool' exhorted by Hitler himself) and violence. The result was the development of a comprehensive campaign combining anti-guerilla operations with German interests in agriculture, labor enforcement and territorial administration. Instead of heeding calls from Berlin demanding tough (but impractical) action along the strategic railway lines, Wehrmacht and SS developed a tactical concept of encircling and 'cleansing' large areas under partisan control. This plan was more realistic because it enabled the Germans to by-pass manpower shortages and use this limited resource in the most effective way. The prototype for the whole concept was operation "Bamberg", in 1941, which claimed 6,000 victims. However, the worst was still to come. What is significant about the ensuing operations was that the Germans did not invest these areas in order to engage the elusive partisans in combat, but to wipe out the villages. At the same time the 'anti-guerilla operations' (which were anything apart from genuine anti-guerilla operations) served to round up new work-slaves. Accordingly, the populations of the 'burnt villages' were selected, 'useless eaters' were murdered and the rest was sent to Germany or the cities of the occupied territories. The third rationale underlying these mopping-up operations was that they could act as a deterrent on those parts of the country which the Germans wished to control, thus preventing the further spread of the 'virus' of political resistance.<sup>14</sup> The peak of this terror campaign was reached between autumn 1942 and summer 1943, at a time when sufficient manpower was available in order to launch a massive strategic offensive. The cold-blooded calculation was that the rural areas outside German control were of no use to them, but could be (or already were) of use to the partisans. Following Goering's order of 26 October 1942, which explicitly referred to this fact and demanded the evacuation of such areas, the Germans decided to strengthen control of those parts of the country which were most important to them from the point of view of agricultural production. Again the concentration of German power over the most valuable land areas was a calculated step, devised to optimize resources. By mid-1943 the policy had led to the emergence of extensive areas of dead zones, coinciding, incidentally, with simultaneous orders from Berlin that had called for a hastening of the labor draft among the rural population. Later, this objective was consolidated through the establishment of *Wehrdoerfer* (a mixture of agricultural settlement with military base/concentration camp) where peasants could be kept in check.

The final phase of the occupation is characterized by an increasing scarcity of labor and by attempts of the German military to mobilize this even more fully for their immediate purposes. In those areas they had to evacuate the Germans selected the entire population, leaving non-workers and 'useless eaters' behind, or placing them in improvised death camps, while many workers were interned in labor camps. Simultaneously, the German also conceded more space to political collaboration, installing a puppet regime that could serve as a counterpart to the partisan movement, thus stabilizing the still-held areas.

The question why, of all occupied Soviet territories, Belorussia was most hard hit elicits some need for explanation. From the beginning the country - together with Northern and Central Russia, and the population centers Leningrad and Moscow (the 'forest zone') - was included among those Soviet territories where the 'hunger plan' was to be implemented in a particularly unmitigated manner. Secondly, the autumn 1941 transport and supply crisis of *Heeresgruppe Mitte*, assembling the main thrust of the German military for the final attack on Moscow, again created worst conditions for the Belorussian hinterland. Therefore Jews and prisoners of war were killed faster here than anywhere else. Furthermore, German willingness to destruction and cold-bloodedness was enhanced by the pro-Soviet traditions of Belorussia. This is a useful measurement criterion for comparing the situation in Belorussia with the more southerly Ukraine, which, in German eyes, was more receptive to anti-Communism. Lastly, the concept of structured and systematic violence developed for tackling the partisan movement went beyond the scope of mere reprisal measures. The calculated result was scorched earth.

Gerlach's study has the merit of challenging the general usefulness of the exclusive 'water-tight' concepts some historians prefer to work with. Seen from this perspective the question whether extermination was driven by ideology or economics is a bogus one. A second fallacy lies in the assumption that extermination was irreconcilable with economic rationality, and that, as a consequence, it must have been driven by ideology. Instead extermination was rather a corollary of economic planning. An elementary link exists between extermination and the eruption of economic

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<sup>14</sup> A German idiomatic expression characterizes such a pragmatic approach as 'zwei Fliegen mit einer Klappe schlagen' (to kill two flies with one stroke).

crisis in the fields of food and labor. Mass murder and slave labor deportation became the most favored crisis management tools. Consequently, there could be no major contradiction between economic rationality and extermination. The latter was driven by material motivations. The 'unisono' of economics and extermination also helped to discharge the joint criminal energy of administration, SS and military. When murder could be justified in economic terms, it no longer remained the business of a minority of hotheads, but was sustained by the entire apparatus. This explains the extent and the speed of murder.<sup>15</sup>

Naturally, without prejudice, hatred and contempt such action would have been impossible, but it is another thing to consider them as the underlying motivators of mass murder. What ideology did induce, however, was to target mass murder efforts, through a procedure of selection along opaque criteria of race, ideological orientation, or fitness for work. The difference was crucial to the overall success of the occupation. In theory (at least) violence was by no means 100% arbitrary in selecting targets, and it was not directed against all Soviet citizens with equal force. Brutal and deterring as it was, the German pressure cooker provided opportunities to the survivors of the murder campaigns to find out what their new masters wanted and to prove their loyalty by engaging in the only avenue of collaboration that was open to them: total submission. Of course this was blackmail, but it produced results: faced with a choice between two evils, most people preferred blackmail to outright death. Some also escaped to the woods. However, it is interesting to observe that the groups most menaced by extermination (Jews, Communists, prisoners of war) were clearly over-represented in the partisan movement. They were joined by escapees from the burnt villages or young urban idealists who considered their pride and human dignity a value worth preserving. Still, the overall majority of Belorussians considered that, despite the gloomy prospect of starvation (or execution for trying to organize an adequate food supply), their chances were better served if they remained at their places of residence and made themselves indispensable to the Germans.<sup>16</sup>

## Agriculture

This was the area of prime importance to the occupier. Although the average agricultural yields were low in comparison to other Soviet territories such as Ukraine or the Baltics, 70% of the pre-war Belorussian workforce was concentrated here. Eastern Belorussia had been heavily collectivized in the early 1930s (11,000 colchoses), whereas the formerly Polish Western part still counted around 600,000 private farms in 1941. The collective farms were dissolved in spring 1942. This measure increased the pressure to perform on individual farmers. It also rationalized the use of labor and exposed hidden resources that could be employed elsewhere. In this regard reform in the countryside benefited the wider aims of German population policy. Very little of the Belorussian agricultural produce was shipped to Germany. The overall target of German agricultural policy in Belorussia was to allow the two million-strong *Heeresgruppe Mitte* to 'live off the land'. All farmers had to comply with German delivery quota, which amounted to about 50% of total production for grain and oleaginous plants. One third was booked as seed for the following year, the remainder was left to the producer.<sup>17</sup> How much farmers could evade German control and hoard the differential of yields higher than those stated in German agricultural provisions depended on the ability of the German administration to gain access to pre-war production figures. In some cases these records had been destroyed. In any case farmers ran a high risk if any supplementary hoards were discovered. Agricultural produce was 'paid' in promissory notes or Reich credit fund notes (*Reichskreditkassenscheine*). In practice this meant that farmers received next to nothing for their goods.<sup>18</sup> This had several reasons: first of all prices were set too low to cover costs. In a typical example farmers had to spend more money on livestock feed than they could earn through the sale of livestock. Secondly the mark-rouble exchange rate of 1:10 was set artificially low (before the war: 1 to 2), in order to serve as an additional draining mechanism. Thirdly, due to the constraints on industrial production money became practically

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<sup>15</sup> Gerlach, 1143-1161.

<sup>16</sup> Such ideas shake the Soviet myths of the 'Great Patriotic War' which continue to be the official version of things in present-day Belarus.

<sup>17</sup> There were however regional variations in the quotas. It should also be noted that farmers could not dispose of the one-sixth left for self-consumption at their own free will.

<sup>18</sup> It seems almost needless to stress that some Germans served themselves without paying at all.

worthless, making barter the only profitable type of transaction.<sup>19</sup> Therefore it can be hardly a surprise that farmers turned to the black market for the sale of out-of-quota produce.

Raising agricultural production was prevented by a number of factors, such as the lack of agricultural machinery and tractors, the scarcity of fuel or 'wildcat' troop requisitions of horses and oxen. However, the available figures suggest that the German exploitation of agricultural resources was not as unsuccessful as has been suggested by some authors.<sup>20</sup> First of all there is solid reason to believe that actual deliveries were higher than calculated because the relevant German figures were expressed in money terms. However, money can be no adequate unit of measurement as the prices paid were far too low. Secondly, even under these rather disadvantageous terms the occupied Soviet territories delivered one third of all grain imports (more than any other country) and a quarter of all meat imports. In the case of oleaginous plants the figures for 1942 and 1943 stood as high as 70%.<sup>21</sup> Further precision is, as yet, impossible, due to patches in the sets of data, plus large variations and inconsistencies in those figures that are available. There is also no way to determine the amount of direct requisitioning that took place through Wehrmacht troops; what can be said is that it grew over the occupation years. Also agricultural delivery quotas were lowered from year to year, following the experience of the preceding year.

## Industry

Agriculture is the main relative wealth of Belorussia. In contrast, natural resources for industrial use are rare, apart from wood and peat. Therefore, despite some first efforts in the 1930s, the degree of industrialization in Belorussia at the outbreak of war was still low in comparison to other republics. The Germans had little intention of changing anything about this basic fact, quite to the contrary. Much industrial capacity was destroyed in the first weeks of the war. Other capacity was evacuated by the Soviets, such as the largest industrial plants in Belorussia, the agricultural machinery plant and the glass manufacture, both in Gomel. What remained of the Belorussian industry became subject to a deliberate policy of de-industrialisation and de-urbanisation, which was one component of the 'hunger plan'. Consequently only one-tenth of the Belorussian workforce was employed in sectors other than agriculture. The largest share of this was absorbed by *Wehrmacht*, *Reichsbahn* and *Organisation Todt* services. Then came the energy, timber and peat industries, followed by a small share in the textile and processing industries. Plants that could run armaments production were virtually non-existent and what the Germans were left with was, in the main, small workshops, especially in Western Belorussia. Minsk was exceptional in this respect, with some of its factories producing radio-units, machine-tools and horse-carriages, and with several repair or production units for all kinds of military utensils. As indicated, most of the remaining industrial capacity was converted to catering to the direct needs of the *Wehrmacht*. In those cases where this was impossible, or made no sense, facilities were shut down, the workers drafted for forced labor. This was the case with the textile and metal industry, which both lacked coal and raw materials. Similar to the practice in other occupied countries textile raw materials, such as wool and linen, were shipped to Germany where they could be processed in more productive units.<sup>22</sup> The Eastern occupied territories were treated as colonies that produced cheap raw materials. They were to retain only as much processing capacity of their own as was necessary to meet *Wehrmacht* demands. A few cases exist, however, where the Germans actually set up additional facilities. The two most important were the Werlin-Werk for automobile repair and the Panzer repair plant at the former Voroshilov machine plant in Minsk. Significantly, the decision to install these facilities was reached in spring 1942, and not at the eruption of military crisis in late 1941. Werlin, the largest industrial plant in *Ostland* named after a Daimler-Benz director whom Hitler had appointed general-inspector for automobile affairs (Generalinspektor fuer das Kraefffahrzeugwesen), consisted of about thirty hangars, with around 5.000 employees. It ran during two years, from summer 1942 to summer 1944. Werlin had developed a plan to establish three automobile repair plants in the rear area of the front. Pskov, Dnepropetrovsk and Minsk were selected as locations. The three plants were staffed by a consortium of all major German car producers, with one masterminding the operations. In

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<sup>19</sup> Gerlach, 231-33; 240-52.

<sup>20</sup> This thesis rests on two assumptions: that Nazi Germany reaped more benefit from the Soviet Union under the terms of the Hitler-Stalin pact than through occupation; that the economic contribution of the East was lower than that of, for example, France. Both are incorrect.

<sup>21</sup> Another factor of enormous economic value was slave labor, s. Gerlach, 1148-49.

<sup>22</sup> A few cases existed where German involvement actually led to the re-launch of facilities, such as in the case of the *Ostfaser*, but this was not the general tendency.

Minsk this was Daimler-Benz. Despite the fact that Werlin had its own camp consisting of prisoners of war and civilian forced laborers, the greatest problem was labor.

German investment in the occupied Eastern territories was in the area of 1 billion RMs. Not particularly impressive, considering their strategic importance, and most of this capital went not to Belorussia, but to Ukraine and the Baltics. Investment from other European countries was attempted, but failed in most cases. The framework for private sector activity were the *Ostgesellschaften*, mixed ownership umbrella organizations combining private and public interests. Building firms – whose employees wore OT uniform - constituted the bulk of German entrepreneurial activity in Belorussia. Brand names such as Telefunken had radio sets produced for the *Luftwaffe*, by 450 workers at the Minsk radio factory. As in other occupied countries the larger local production facilities were held in trust - as enemy property - and received temporary administrators. All this could be an effective prelude to the ultimate privatization of the Soviet economy. However, the question remained open, if only to avoid tricky legal cases, such as the restitution of property to its former owners. Profits of German builders, small commercial firms and larger industrial conglomerates were based either on the cheapness of forced labor, the advantageous price system, or both.

### **Black market**

To a much larger extent than in France or other Western countries, the black (and gray) economy was the main 'exit route' for a population that would even starve to death if it did 'useful work' in the German sense. Considering the de-monetization of economic exchange and, in some cases, the non-provision of even official rations, Belorussians were working for money that was practically worthless. The actual significance of work, and in particular work the Germans considered useful, did not lie in the provision of a livelihood. This point is compounded by the inadequacy of official rations for normal nutrition. People bothered with work because it was the least one could do to achieve a minimum of protection against extermination or deportation. However, for their livelihood they turned to the black market. The tolerated, semi-legal form of the black market had a stronghold in the city 'peasant markets'. These had already existed in Soviet times and the Germans allowed this practice to continue. As one may imagine the extreme scarcity led to the formation of prices which many times outpaced the 'frozen' official salaries (between 250 and 600 roubles per month). Thus two eggs on the Brest peasant market cost more than a day's labor.<sup>23</sup> Whether the German administration was unwilling or simply incapable of enforcing a price freeze is impossible to determine with any precision. Despite their high prices the peasant markets were well-visited by the population.<sup>24</sup> This may seem like a paradox, considering the low level of income.<sup>25</sup> The riddle is solved when we look at the nature of transactions in these markets. These were, in the main, based on the barter of food against items that were just as rare, indispensable and expensive: shoes and clothing. We can see here a principle at work which I have also noted in my own research on the black market in occupied France: that people were living off their pre-war substance. Due to the efforts of the French government confidence in the franc remained partially intact, despite its constant erosion. Only the most street-wise among the business elite managed to convert their cash in other values, such as gold, foreign currency, French or foreign stocks and shares, plus real estate. The majority of the population was subject to a slow devaluation of their savings and could do nothing else but sell the 'family silver'. In the East the return to a barter economy was much more total. In Belorussia illegal vodka became the main currency.

Obviously, black market provision undermined the hunger plan. The Germans attempted to outlaw this practice by a series of measures: communication and freedom of movement was restricted in a most unprecedented way, through curfews or the prohibition of telephone and postal communication. All people were registered and this registration was strictly enforced. Nobody was allowed to leave his place of registration without permission, and permission was hard to get because the Germans only authorized trips that were in 'German interest'. All those travelling outside their place of residence

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<sup>23</sup> Gerlach, 284-85.

<sup>24</sup> Again no figures are available for Belorussia, but it is estimated that the contribution of these markets to civilian food supply was between one-third and one-half in the Baltics. Figures for Belarus are probably similar.

<sup>25</sup> Similar occurrences are described in Galina Dutkina's *Moscow Days. Life and Hard Times in the New Russia* (New York, 1996). She mentions the unavailability of 'normal' food in Moscow shops in 1993 and its replacement by expensive and fancy imported food products. Naturally, these went beyond the power of absorption of average salaries, but people still bought them in order to eat.

without official permission were in life-danger. So-called 'wanderers' and 'migrants' were one of the population categories singled out for execution. Among them the proportion of city-dwellers trying to 'organize' food in the countryside was very high.<sup>26</sup> The control of the civilian population, coupled with the food policy and selection of 'useless eaters', made foraging trips into the countryside a dangerous and risky business. Therefore it is safe to conclude that these measures explicitly targeted the shadow economy that was evading German control and providing a continued livelihood to the cities.<sup>27</sup>

Still the large number of German restrictive orders (Verbote) suggests that people were finding ways around them. The proportions of the phenomenon were revealed in the course of operation 'Zauberfloete' (magic flute), a six-day systematic razzia of Minsk, conducted by police and SS in April 1943. When the search reached the train station, the Germans discovered 22,000 free-riders who had boarded freight trucks for foraging trips in the countryside. It should be stressed that the total Minsk population at that time was around 100,000 and this may explain why, in this case, the Germans let most of the apprehended off the hook and only sent 1,000 to work camps.<sup>28</sup>

Of course there was also the organized, large-scale black market, often enough thriving on considerable German participation. In this Eastern Europe was no exception to the general rule: soldiers, but also members of the civilian administration bartered cheap industrial products against food which they sent home in thousands of parcels. Similar to the situation in the general government of Poland there were also few limits to the spread of corruption in the German quarters. As in other occupied countries the Germans tried to control the supply of illegal resources. Certain types of products became subject to production bans and disappeared from official markets. In Belorussia these bans also extended to products that could be of use to the partisan movement, such as soap and leather. Metals were collected and it became a criminal offense to not register stocks with the occupying authorities. However, despite bans a vibrant black market in metals developed. To name another example: mushrooms, considered a luxury product, were equally banned from markets and had to be surrendered to the Germans.

The overall significance of the organized black market in occupied Europe lay in two areas: it could develop into a particularly insidious form of collaboration or it could become a form of resistance. On the whole, the black market in Belorussia appears to have developed in the second sense: it provided the population with a means to survive, thereby frustrating German intentions. On the other hand the emergence of an industrial black market on the French or Belgian scale was impossible here. One must not forget that the Germans could build on sovietization, which allowed them to take full control of the key posts in the industrial economy and avoid the trickling away of resources. Therefore, despite the artisans and farmers who made a good living off the black market, collaboration in Belorussia has to be sought in the political rather than in the economic area.

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<sup>26</sup> In order to gain a correct appreciation of the differences between Eastern and Western Europe it is significant to compare the practice of executing people in the East with the 1942 surrender of the French authorities to the fact that the population was by-passing the official allocation system and violating regulations by the thousands. In this case the presence of a French government did give civilians some minimal protection.

<sup>27</sup> Gerlach, 218-19.

<sup>28</sup> Gerlach, 288.

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