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FOREIGN ECONOMIC ADMINISTRATION  
German-Austrian Branch

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THE REICH MINISTRY OF  
ARMAMENT AND WAR PRODUCTION  
(SPEER MINISTRY)

February 1945

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# FOREIGN ECONOMIC ADMINISTRATION German-Austrian Branch

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## INTRODUCTION

This report should be read in conjunction with the report on the Ministry of Economics. 1/ To a considerable extent, the two Ministries have over-lapping jurisdictions and make use of the same executive agencies on the regional and local levels. More detailed information on Economic Groups, Gau Economic Chambers and Regional Economic Offices can be found in the report on the Ministry of Economics. For more specialized questions of economic administration, the reports on the Ministry of Labor, 2/ the Ministry of Food and Agriculture, 3/ and the Ministry of Transportation 4/ should be consulted.

This report is based both on German statutes, decrees and regulations, and on German periodical and newspaper items concerning the functioning of the Ministry of Armament and War Production and its subordinate agencies. The most important decrees are those of September 16, 1943, October 29, 1943, November 12, 1944, and November 15, 1944. A translation of these decrees is given in Appendices 1 and 3. Appendix 1 contains Speer's decree of September 16, 1943 on the Planning Office; Speer's and Funk's decree of October 29, 1943, on Reichsstellen; and Speer's decree of October 29, 1943, on the reorganization of his Ministry. These three decrees, which form a unit, are presented in Appendix 1 in the same order in which they were published in the original German document. Speer's decree of September 16, 1943, forms pages 91 and 94 of Appendix 1; Speer's and Funk's decree of October 29, 1943, forms pages 81 - 84 of Appendix 1; Speer's decree of October 29, 1943, forms pages 68-76 and 84-89 of Appendix 1. A table of contents of these decrees has been added.

Speer's "Simplification Decree" of November 12, 1944, can be found in translation on pages 97-101 of Appendix 3. An official statement of Speer, of November 15, 1944, which deals with the simplification measures, is reproduced on pages 96 and 97 of Appendix 3.

Chart I (Appendix 2) indicates the distribution of jurisdiction and of subordinate agencies among the various War Production Bureaus, on the basis of the reorganization decrees of the autumn of 1943. Chart II shows this distribution on the basis of the simplification decrees of the autumn of 1944.

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- 1/ EIS-11, Germany: Ministry of Economics.
  - 2/ EIS-37, Germany: Ministry of Labor.
  - 3/ EIS-34, Germany: Ministry of Food and Agriculture
  - 4/ EIS-28, Germany: Ministry of Transportation.

The Ministry of Armament and War Production is a product of the war emergency, which grew to its present importance gradually. In many fields, the Ministry and its subordinate agencies reflect phases of German war economic organization of the past. A short survey of the history of the Ministry is presented in Part I of this report. An analysis of Reichsstellen can be found in the section on the Planning Office; an analysis of Main Committees and Rings in the section on the Technical Bureau; an analysis of Production Main Committees in the section on the Production Bureau; and an analysis of Reichsvereinigungen in the section on the Raw Materials Bureau.

This report is restricted to the administrative side of present-day German war economy. For detailed information on the functioning of the Speer Ministry and its subordinate agencies in the various fields of production, the reports on industries should be consulted.

The general principles set forth in this report are applicable to all fields of industrial production. Only the aircraft industry had been organized along different lines. The Air Ministry under Goering had maintained its jurisdiction in certain fields of war production. Speer's control was extended to the aircraft industry by a decree of Goering of June 20, 1944. Simultaneously, General Field Marshal Milch was appointed Deputy Minister for Armament and War Production.

The decrees published in Appendices 1 and 3 are treated as confidential in Germany; they are classified as "secret" in this country.

## THE REICH MINISTRY OF ARMAMENT AND WAR PRODUCTION

The Ministry of Armament and War Production (Reichsministerium für Rüstung und Kriegsproduktion) is a product of the war emergencies. Although Germany had prepared in the pre-war period the organization of the anticipated war economy and had drafted detailed plans for the adaptation of her regular administration to the peculiar situation which was likely to prevail during a total war, it became apparent after a short time that neither the Four Year Plan Administration nor the appointment of the Minister of Economics as Commissioner General for the Economy (Generalbevollmächtigter für die Wirtschaft) was a proper means for the mobilization of Germany's economic resources and the planning of German war economy. Following the setbacks of Germany on the battlefield as well as on the economic front, the jurisdiction and power of the Speer Ministry was gradually increased until finally the Minister of Armament and War Production became the leading figure in German war economy. The Ministry of Armament and War Production has never lost its character as an improvised war agency. The organization and jurisdiction of the Ministry, its relations with other supreme Reich authorities and subordinate agencies are, therefore, fully understandable only if the historical development of the Speer Ministry is subjected to a brief analysis.

### HISTORICAL BACKGROUND OF THE MINISTRY

#### The Establishment of the Ministry of Armament and Munitions

On March 17, 1940, Hitler issued a decree concerning the establishment of a special Ministry of Armament and Munitions<sup>1/</sup> (Reichsministerium für Bewaffnung und Munition). Dr. Fritz Todt, Inspector General for Highways (Generalinspektor für das deutsche Strassenwesen) and Commissioner General for the Regulation of Building Construction (Generalbevollmächtigter für die Regelung der Bauwirtschaft) was appointed as head of this Ministry. He was succeeded in 1942, both as Minister and as holder of additional high positions, by Albert Speer, by profession an architect, who had worked before primarily in the field of city planning. In the course of the last three years, Speer has been appointed Commissioner General in various other fields. Speer's unique position is due to the fact that he coordinated his Ministry with the positions which had been entrusted to him in the framework of the Four Year Plan Administration. In its present form, the Ministry of Armament and War Production fulfills primarily the functions of an executive agency of Albert Speer in his capacity as an overall "leader" of German war economy. The unique position of Speer has found expression in the fact that the Ministry of War Production and Armament is officially called "Speer Ministry".

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<sup>1/</sup> RGBl. 1940, I, 513.

The jurisdiction of the newly created Ministry was regulated by an ordinance of March 20, 1940, which provided that administrative agencies as well as private and semi-private institutions were subjected to general regulations of the Ministry of Armament, as far as problems concerning the production of ammunition were concerned. This meant that the Ministry was primarily a co-ordinating agency. The ordinance did not provide for special executive agencies of the newly created Ministry on the regional and local level; it rather laid down the principle that the Minister for Armament and Munitions had to rely on and to collaborate with the executive agencies which had already been entrusted with jurisdiction in that field. The Minister was authorized to appoint special delegates of his own to the various executive agencies concerned. This provision referred, however, only to executive agencies of civil administration. As far as military agencies were concerned, the Minister of Armament and Munitions had no supervisory power whatsoever and was restricted to a general rule-making power. Hitler indicated, however, in the decree of March 20, 1940 (Sect. 3, par. 3) that in future he might, on motion of the Armament Minister, transfer to the new Ministry immediate supervisory functions over military agencies.

#### The Ministry of Armament and Munitions and the Army

A step toward giving Speer power over military agencies actually was taken early in 1942, in the course of the first reorganization of the German War Administration, after the failure of the Russian winter campaign, when Speer was appointed Commissioner General for Armament Tasks (Generalbevollmächtigter für Rüstungsaufgaben) in the framework of the Four Year Plan Administration. In this capacity he was endowed with far-reaching extraordinary powers. His jurisdiction was, however, not clearly defined. Under the emergency conditions which prevailed early in 1942, the chief emphasis was laid on immediate increase of production. Questions of organization were postponed, a fact which may explain the many overlapping jurisdictions which since that time have been so characteristic a feature of the administration of German war economy. Some of the most important functions of the Office of War Economy and Armament (Wehrwirtschafts- und Rüstungsamt) within the Supreme Command of the Armed Forces, which had been established on November 22, 1939, and which was headed by General Thomas, were shifted to the Ministry of Armament and Munitions. To the extent that the Office of War Economy and Armament is still in operation, it serves as liaison agency between the Speer Ministry and the Army High Command. Simultaneously with the change just described, the most important executive agencies of the Office of War Economy and Armaments -- the regional Armament Inspections (Rüstungsinspektionen) -- were subjected to the control of the Speer Ministry.



The control of the Armament Ministry over the Armament Inspections became increasingly important when, by virtue of the reorganization decree of November 16, 1942, <sup>1/</sup> shortly after the landing in North Africa, the Minister of Armament and Munitions was authorized to establish regional Armament Boards (Rüstungskommissionen) within the various economic districts. It goes without saying that the "leadership principle" was applied to these regional Armament Boards. Hence Speer -- as superior of the Chairmen of these Boards -- is in control of the highly important Armament Boards.

Section 15 of the reorganization decree of November 16, 1942, said explicitly that the Armament Boards are to receive their instructions exclusively from the Minister of Armament and Munitions. All members of the Armament Boards are ex officio members of the War Economic Staffs (Kriegswirtschaftsstabe) which were established in each Gau and which form a consultative body of the Gauleiter in their respective districts (Section 14). It may be assumed that the legislator intended to give the representatives of Speer on the regional level a predominant influence, although the principle was not abandoned that at least de jure all powers should be concentrated in the Gauleiter.

#### Main Committees and Rings

Parallel to the establishment of regional executive agencies of the Speer Ministry, a whole system of economic "self-administrative" institutions was set up in the field of armament industry (in the narrow sense of that word): the Main Committees (Hauptausschüsse) and Rings (Ringe). Main Committees are boards of engineers concerned with the production and processing of one end-product and the parts and materials entering into that operation; Rings are similar boards concerned with the production of one product which enters into the production of several other products. A Main Committee has been established, for instance, for the production of tanks; a Ring for the production of ball bearings. Both Main Committees and Rings are compulsory organizations of all enterprises working in a particular field of war production. The individual firms are represented in these institutions by their chief engineers who, in many cases, either belonged to the Boards of Directors of their firms, or were appointed as members thereof. <sup>2/</sup>

In the first phase of their existence, these newly created organizations were almost exclusively concerned with purely technical problems. In an important speech of June 5, 1943, Speer pointed out that Main Committees and Rings had originated from boards of engineers which were established on the national level, with the purpose of

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<sup>1/</sup> RGBl. 1942, I, 649.

<sup>2/</sup> For an analysis of Main Committees and Rings, see -- Deutsche Volkswirtschaft, 1942, p. 586.

encouraging an exchange of technical experiences among the representatives of the various enterprises. Since this experiment had proved extremely helpful, the boards and their members were endowed with far-reaching powers. By a decree of February 18, 1942, jointly signed by Hitler and Goering, the boards were entrusted with jurisdiction to intervene in the internal organization of all armament factories, to shift contracts from one factory to another, and even to close factories, if such measures were considered necessary from the point of view of an increase of technical efficiency. In the course of the following months, the jurisdiction of the boards was extended from the field of primarily technical measures to such economic functions as the allocation of contracts, raw materials, and labor. Main Committees and Rings did not, however, lose their original character as boards of technical experts. They continued to deal primarily with such questions as the standardization of technical products and the rationalization of the technical processes of production. Even today, they serve as a sort of clearing house for all technical improvements and inventions, although recently an increased emphasis has been laid on their economic functions. It is one of the functions of Main Committees and Rings to make technical improvements of one factory available to all other plants of the same branch, to grant compulsory licenses, and to regulate problems of compensation which may arise between the licensees and the original owners of a patent, or the licensees and the firms which made use of an unpatented invention. Due to the existence of these boards, plant secrets have almost ceased to exist and the patent system has completely changed its character. 1/

The more Main Committees and Rings grew in importance, the more they became competing organizations of the "self-administrative" institutions under the Minister of Economics, such as Economic Groups (Wirtschaftsgruppen), Trade Groups (Fachgruppen), Reich Groups (Reichsgruppen), Gau Economic Chambers (Gauwirtschaftskammern), etc., which have been dealt with in the report on the Ministry of Economics. The rapid growth of Main Committees and Rings is indicated by the increasing numbers of engineers who have been appointed as members of these boards. As early as June 1943, more than 4,000 engineers were employed in the various economic self-administrative institutions under Speer. No organizational ties, however, connected Main Committees and Rings with the Ministry of Economics, or the Speer Ministry with the self-administrative institutions of the Ministry of Economics.

As compared with the pre-existing self-administrative institutions under Funk, Main Committees and Rings are characterized by three features:

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1/ On the present status of patent law, see Deutsche Allgemeine Zeitung, December 20, 1944

1. Unlike the self-administrative institutions supervised by the Ministry of Economics, which were composed of businessmen, the newly created Main Committees and Rings were staffed almost exclusively by technicians and engineers.

2. Main Committees and Rings were organized on a nation-wide level; they represent a type of highly centralized institutions. By contrast with the self-administrative bodies under Funk, which go back to the various types of pre-Nazi trade associations, cartels, peak-organizations, chambers of commerce, etc., the Main Committees and Rings were improvised by Speer as a new type of "self-administrative" agencies which have nothing in common with the traditional organizational forms of German business life. It was only in a later stage of development that Main Committees and Rings were authorized to make use of the regional and local Economic Groups for their specific purposes, and that outstanding members of the newly created institutions were appointed Armament Commissioners (Rüstungsobmänner) in the various economic districts.

3. Most important was the complete change in the nature of the planning which was accomplished by Speer with the help of the Main Committees and Rings. While the Ministry of Economics had organized the war economy on the basis of raw materials and had made use of those agencies which had been established in the pre-war period with a view to controlling and regulating the import and processing of scarce raw materials, Speer shifted the planning basis from raw materials to war consumption when he set up the new types of economic self-administration.

#### The Reorganization of Reichsstellen and Reichsbeauftragte

The new organizational pattern proved so efficient that late in 1942 the Minister of Economics adapted -- at least partly -- the structure of the most important economic war agencies to the new scheme of organization.

At the beginning of the war specific Reich agencies (Reichsstellen) had been established in various economic fields, with a view to controlling and directing the production, processing and consumption of certain raw materials. The Reichsstellen are the successors of the Supervisory Agencies (Überwachungsstellen), which had existed since 1934. Each Reichsstelle was headed by a Reichsbeauftragter. Like the system of Supervisory Agencies, the Decree concerning Commodity Control (Warenverkehrsordnung) of August 18, 1939 <sup>1/</sup> provided for separate Reichsstellen for the various raw materials. As compared with

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<sup>1/</sup> RGBl. 1939, I, 1943.



the Supervisory Agencies of the pre-war period, the jurisdiction of the Reichsstellen was considerably increased.

On December 11, 1942, the Warenverkehrsordnung of August 18, 1939 was amended to the effect that Reichsstellen and Reichsbeauftragte may henceforth be appointed not only for raw materials, but also for the control of end-products. 1/ The whole economy was split up into economic spheres, and the Minister of Economics assumed the right to appoint for each sphere of production a Reichsstelle or Reichsbeauftragten; the latter were endowed with dictatorial powers within their respective steering spheres (Lenkungsbereiche). The Warenverkehrsordnung did, however, not infringe upon the authority of the pre-existing Reich Associations (Reichsvereinigungen) to exercise their manifold regulatory public functions within their legally defined jurisdictions. 2/ Simultaneously, the position of the

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1/ RGBl. 1942, I, 684.

2/ The public law character of Reichsvereinigungen goes back to the Statute concerning Compulsory Cartels of July 15, 1933 (RGBl. 1933, I, 488), and a decree of September 4, 1939 (RGBl. 1939, I, 1126) concerning the Establishment of Combined Enterprises in the Industrial Economy. On the basis of these statutes, the following Reichsvereinigungen had been established before the Reichsstellen were reorganized on December 11, 1942:

Reichsvereinigung Coal, April 21, 1941

(Ministerialblatt des Reichswirtschaftsministeriums 1941, p. 146);

Reichsvereinigung Chemical Fibers, February 2, 1942

(Reichsanzeiger 1942, No. 301);

Reichsvereinigung Textile Processing, March 10, 1942

(Reichsanzeiger 1942, No. 731);

Reichsvereinigung Hemp, March 19, 1942

(Reichsgesetzblatt 1942, Vol. I, p. 132);

Reichsvereinigung Iron, May 29, 1942

(Reichsanzeiger 1942, No. 125.

In addition, several Gemeinschaften were established, as, e.g.;

Gemeinschaft Electric Bulbs, July 7, 1942

(Reichsanzeiger 1942, No. 158);

Gemeinschaft Lubricants, October 1, 1942

(Reichsanzeiger 1942, No. 234);

Gemeinschaft Hollow Glass, November 13, 1942

(Reichsanzeiger, 1942, No. 270);

Gemeinschaft Shoes, and others.

Reichsvereinigungen and Gemeinschaften are almost identical in character; they were supposed to take over most of the functions  
(continued)



Reichsbeauftragte was considerably strengthened. The Minister of Economics was empowered to decide whether in an individual "steering sphere" a Reichsstelle shall be established, or whether a Reichsbeauftragter shall be appointed who may perform his functions in collaboration with a pre-existing institution of economic self-administration. Finally, the decree of December 11, 1942 authorized Reichsstellen and Reichsbeauftragte to sub-delegate their powers, either wholly or partly, to subordinate agencies, economic self-administrative agencies, or individual persons (Bewirtschaftungsstellen). In a decree of December 12, 1942, the Minister of Economics laid down the principle that in the various fields of production the existing Economic Groups and Trade Groups should be endowed with the powers of Bewirtschaftungsstellen without losing their character as self-administrative agencies.<sup>1/</sup> The creation of Bewirtschaftungsstellen enabled the Minister of Economics to cover the whole German economy with a network of public and semi-public agencies which are endowed with almost unlimited jurisdiction as far as the "steering" of the economic process is concerned.<sup>2/</sup>

Once the Economic Groups had been endowed with the extraordinary powers of the Warenverkehrsordnung, an individual enterprise was no longer compelled to deal with a separate Reichsstelle for each raw material that it needed. The aim of the reorganization was rather to make the Bewirtschaftungsstelle in its respective steering sphere the sole public agency with which the individual enterprise had to deal. The Bewirtschaftungsstelle, rather than the enterprise, had to

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(continued)

which hitherto had been exercised by Reichsstellen as well as by Economic Groups and Cartels in their respective fields. They represent an attempt to concentrate a maximum of public power in semi-public organizations. After the reorganization of Reichsstellen in December 1942, Reichsvereinigungen were no longer established. On Reichsvereinigungen and Gemeinschaften, see Deutsche Volkswirtschaft, 1942, pp. 26-27. See also Deutsches Recht, 1942, pp. 1042, 1047.

<sup>1/</sup> Ministerialblatt des Reichswirtschaftsministeriums, 1942, p. 663.

<sup>2/</sup> The word "steering" (Steuerung) is a basic term of the Nazi war economy. Even the Nazis admit that the concept lacks a clear legal meaning. In his article on Staatsverwaltung und Wirtschaftslenkung (Kartellrundschau 1943, p. 250), Hatto Bolling points out that the jurisdiction of a "steering agency" is not restricted by legally defined rules. The power of steering the economic process is an expression of the omnipotence of the State over the property rights and economic activities of its subjects. Bolling contrasts a "steered economy" with liberalism on the one hand, and with a socialized economy on the other hand. A steered economy is characterized by a separation of the title in property rights and the economic functions of property. In a steered economy, title rests with the private owners, but the economic functions of property are exercised by the government or semi-public agencies.

come to terms with the various Reichsstellen, Reichsbeauftragte, etc. Bewirtschaftungsstellen were supposed to act as intermediaries between the individual enterprise and the various agencies of the planned economy. 1/ The functions of the Bewirtschaftungsstellen are described in Section III of the Decree of the Reich Minister of Economics, of December 12, 1942, 2/ as follows:

1. to allocate raw materials and semi-finished goods to the individual plants;
2. to prepare and execute plans of production after these plans have been laid down in outline by the Reichsbeauftragte;
3. to regulate the production of goods, especially to foster the process of standardization;
4. to assign to the individual plants specific tasks and to request the production of certain goods;
5. to direct the sale of the produced goods and to enforce the performance of tasks which were assigned to the individual plants by public agencies with the approval of the Bewirtschaftungsstellen.

From the point of view of business, the establishment of Bewirtschaftungsstellen represents the decisive step toward the degradation of individual enterprises to the status of executive agencies of public and semi-public authorities. The decree of the Reich Minister of Economics, of December 12, 1942, which is supposed to clarify the functions and jurisdiction of Bewirtschaftungsstellen, is one of the indispensable sources for the understanding of German war economy.

This development was summarized in Deutsche Volkswirtschaft, 1943, p. 827, as follows:

Germany no longer bases her planned economy on raw materials as she did in the early phase of war economy. The basis of the planned economy today is rather war consumption. War consumption must be adapted, however, to the amount of raw materials at the disposal of the planning authorities. This requires a special system for establishing priorities. It is characteristic of the present system that the agency which allocates the contracts is at the same time the holder of the war material quota. The individual entrepreneur does nothing but receive contracts and raw materials through a public agency. He is restricted to the task of performing his assignment and producing the largest possible quantities of war materials.

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1/ Deutsche Volkswirtschaft, 1943, p. 471

2/ Text reproduced in the appendix of Homann, Deutsche Wirtschaftsorganisation.

The 1942 reorganization of the German war economy adopted Speer's basic idea, without making use of the institutions which had been established by Speer with a view to carrying out these principles. It is probably safe to say that the decree of December 11, 1942 was an attempt by the Ministry of Economics to regain its predominant role in the war economy by making Main Committees and Rings superfluous, at least in so far as their regulatory functions were concerned. This attempt, however, proved unsuccessful.

Hitler's "Concentration" Decree of September 2, 1943

Since the Main Committees and Rings on the one hand and Bewirtschaftungsstellen on the other hand had overlapping jurisdictions, a considerable confusion and disorganization inevitably resulted, especially since almost all enterprises of the armament industry were at the same time members of one or several of the "self-administrative" institutions under Funk and of one or several Main Committees and Rings. The third reorganization of the German war economy, which took place shortly after the collapse of Italy and which found its chief expression in Hitler's "concentration" decree of September 2, 1943, 1/ finally established the preeminence of the Speer Ministry and its subordinate self-administrative institutions, in the whole field of "war production" in the broadest sense of that word.

The main significance of the decree of September 2, 1943 must be found in section 2, which provides for the exclusive jurisdiction of the Speer Ministry in all questions of raw materials and production in industry and crafts. The Minister of Economics retained jurisdiction only over the supply and distribution of consumers' goods to the civilian population, and over foreign trade (section 3). By the same decree, the name of "Ministry of Armament and Munitions" was changed into "Ministry of Armament and War Production" (Reichsministerium für Rüstung und Kriegsproduktion). In view of the fact that this decree deprived Minister Funk of his former jurisdiction in almost all questions concerned with raw materials and industrial production, the provision which gives to the Minister of Economics the authority to decide all "basic questions of German economic policy" (section 1) is without any practical significance whatsoever. In reality, the Ministry of Economics and its subordinate agencies and institutions have been degraded by the decree of September 2, 1943 to the rank of an executive agency of the Speer Ministry.

Deriving his authority from Hitler's decree of September 2,

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1/ RGBl. 1943, Vol. I, p. 529.



1943, Speer took the decisive step on September 6, 1943, of assuming for the Minister of Armaments and War Production almost all powers which hitherto had been vested in the Minister of Economics by virtue of the Decree concerning Commodity Control (Warenverkehrsordnung). 1/ Funk retained merely the power to regulate the distribution of consumption goods.

Once the authority which had been vested by the Warenverkehrsordnung in the Minister of Economics had been shifted to Speer, the latter had almost unlimited rule-making power in the economic field. He had jurisdiction to issue decrees concerning the "procurement, distribution, storage, selling, consumption, and production of commodities." 2/ The first section of the Warenverkehrsordnung, as it now stands, enables the Minister to restrict, either wholly or partly, the rights of the owners of commercial goods with respect to disposal, consumption, or use of those goods. In addition, this provision bestows on him jurisdiction to seize such goods, to provide for regulations concerning the processing of manufactured goods, and to regulate the allocation of all sorts of commodities. 3/ It goes without saying that section 1 entitles the Minister not only to issue general decrees but also to execute such decrees and to sub-delegate his powers to subordinate agencies.

As has been pointed out above, the Minister of Economics had established Reichsstellen, Reichsbeauftragte, and Bewirtschaftungsstellen and endowed them with the powers of the Warenverkehrsordnung. Section 4 of the decree of September 6, 1943 bestows upon Speer

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- 1/ First Decree for the Execution of the Concentration Decree, issued on September 6, 1943, and jointly signed by Speer and Funk, Reichsgesetzblatt 1943, I, 534, Section 1.
  - 2/ Section 1 of the Warenverkehrsordnung in its redrafted form of December 11, 1942. The Warenverkehrsordnung goes back to a decree of September 4, 1934 (RGBl. 1934, I, p. 816). It was redrafted shortly before the outbreak of the war, on August 18, 1939 (RGBl. 1939, I, p. 451). In its original form the Minister of Economics was entitled only to regulate questions concerning the "procurement, distribution, storage, selling and consumption of commodities." By virtue of a decree of October 30, 1941 (RGBl. 1941, Vol. I, p. 679), the jurisdiction of the Minister of Economics was extended to the control and regulation of the production of commodities. On December 11, 1942, the Warenverkehrsordnung was redrafted for a second time to the effect discussed above. Reichsgesetzblatt 1942, I, 686.
  - 3/ For an analysis of the Warenverkehrsordnung, see Bülling, op. cit. p. 259. See also the decision of the German Supreme Court (Reichsgericht) of September 21, 1942, Deutsches Recht, 1942, p. 1648.

jurisdiction to control in future the "steering" activities of these agencies. From a purely organizational point of view, these agencies remain, however, attached to the Minister of Economics 1/: a provision which is of some importance because it secures to Funk a certain influence in questions of personnel. In addition, Section 5 of the decree provides for a complete reorganization of the economic war agencies on the regional and local level, and Section 3 provides for drastic changes in the structure of the "steering" agencies on the national level. Exceptions are made in the field of foreign trade, and in questions concerning regulation of the distribution of consumption goods, which remain under Funk's jurisdiction. Once entrusted with the authority to reorganize almost all war agencies in the field of economics, Speer was free to incorporate Main Committees and Rings into the pre-existing administrative machine, and to endow them with the far-reaching powers covered by Section 1 of the Warenverkehrsordnung.

In assuming control over Reichsstellen and Reichsbeauftragte, Speer infringed not only upon the jurisdiction of the Ministry of Economics but also upon that of the Ministry of Food and Agriculture. At the end of 1943, there were 29 Reichsstellen in existence, of which 22 were under Funk, six were under the Minister of Food and Agriculture, and one was under the Reich Forestry Office. 2/

Reichsstellen, Reichsbeauftragte, and Bewirtschaftungsstellen are not the only agencies entrusted with jurisdiction to carry out the tasks laid down in the Warenverkehrsordnung. They rely on the collaboration of the regular agencies of economic administration, such as the Regional Economic Offices (Landeswirtschaftsamter), and the special organizations such as Gau Economic Chambers, Reich Associations, Economic Groups, Trade Groups, etc. Section 2 of the Decree of September 6, 1943 gave Speer the jurisdiction to subject all these agencies and institutions to his orders as far as questions of industrial production are concerned.

#### The Reorganization of the Speer Ministry

On the basis of the decree of September 6, 1943, Speer reorganized his own Ministry on October 29, 1943 by means of a very elaborate decree which was classified "Confidential" in Germany (Nur für den Dienstgebrauch). The latter decree was accompanied by a confidential decree of September 16, 1943, which dealt exclusively with the organization of a planning Office to be established under Speer

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1/ Section 6 of the decree.

2/ Berliner Boersenzeitung, December 17, 1943.

in his capacity as General Commissioner for Armament Tasks; the office was attached to the Ministry of Armament and War Production. Furthermore, Speer and Funk jointly issued a confidential decree dated October 29, 1943, on the functions of the Reichsstellen; the latter decree forms an integral part of Speer's basic decree of the same day. A translation of the three decrees mentioned above can be found in Appendix 1.

The German public was informed about the basic changes in the organization of the German war economy only by a brief semi-official statement which was published in the Hamburger Fremdenblatt on November 14, 1943 and in the periodical Braunkohle, Vol. 42, Heft 50-51 (December 1943), and by a short article in Deutsche Volkswirtschaft (1943, p. 1018). (The previous studies on the organization of the Speer Ministry are primarily based on these publications.) If one compares the wording of the reorganization decrees with the newspaper items and articles mentioned above, one realizes that the material published by the Germans is incomplete and partly misleading. The following analysis, which is based on the original sources, will, therefore, differ to a certain extent from earlier studies.

Speer's reorganization decree of October 29, 1943, is based on the functional differentiation between the production of end products of the armament industry, auxiliary products, raw materials, and consumption goods. Building and Power Supply, which follow different lines, are treated separately. Roughly speaking, the production of end products of the armament industry had been controlled by the Main Committees, the production of auxiliary products, by the Rings, the production of raw materials by Reichsstellen and Reich Associations, and the production of consumption goods by the Economic Groups. With certain modifications, Speer took over this organizational scheme into his reorganized Ministry. He established for each of the various branches of production a specific "War Production Bureau." Omitting details which may be learned from the translation of the decree in the Appendix, one may summarize the 1943 reorganization of the Speer Ministry, as far as production proper is concerned, as follows:

The production of armament and products was controlled by the Technische Amt für Rüstungsendlieferungen (Technical Bureau for Armament End Products); the production of auxiliary goods, by the Rüstungslieferungsamt (Armament Supply Bureau); the production of raw materials, by the Rohstoffamt (Raw Material Bureau); and the production of consumers' goods by the Produktionsamt (Production Bureau for Consumers' Goods). If one adds to these four basic War Production Bureaus the Amt Bau (Building Bureau) and the Amt Energien (Power Bureau), one has a complete picture of the agencies which are endowed with jurisdiction to control production in the various spheres.



The decree of October 29, 1943 provides that the War Production Bureaus shall exercise control along vertical lines; this control along vertical lines was supplemented, through other provisions of the same decree, by a control along horizontal lines. In contrast to the War Production Bureaus, which are concerned with the specific problems arising in the various spheres of production, each one of the Bureaus of Special Tasks has an overall jurisdiction with respect to questions which are common to all branches of production. Outstanding among the Bureaus of Special Tasks is the Planungsamt (Planning Office), which had to lay down the general lines of production and to prepare overall plans for the distribution of the available resources of raw materials, labor, half-finished goods, power, etc., among the various branches of production. Economic problems of a more general character, such as questions of taxation, price control, financing of enterprises, business law, etc., belonged to the jurisdiction of the Generalreferat Wirtschaft und Finanzen (Generalreferat for Economics and Finance); questions of labor, transportation, power supply, etc., were referred to the Rüstungsamt (Armament Bureau); general problems concerning engineering and efficiency were given to special sections of the Technische Amt für Rüstungsendlieferungen; and various problems, particularly in the field of economic self-administration, were attributed to special sections of the Rüstungslieferungsamt. Hence the two sections of the Speer Ministry which were in charge of armament production in the narrower sense, the Technical Bureau for Armament End Products and the Armament Supply Bureau, served at the same time as Bureaus of Special Tasks and as War Production Bureaus. In all other fields, the basic distinction between control along vertical lines and control along horizontal lines led to an organizational separation between the Bureaus for Special Tasks and the Production Bureaus.

If one adds to the three Bureaus for Special Tasks, and the six War Production Bureaus, the Zentralamt (Central Office), in which questions of personnel, administration and organization were centralized, the following list of ten sections gives a complete picture of the subdivisions of the Speer Ministry, on the basis of the reorganization decree of October 29, 1943: 1/

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1/ The "Central Division for Kultur", which, according to the unpublished decree of October 29, 1943, was in charge of censorship and propaganda, was not mentioned in the newspaper items which dealt with the reorganization of the Speer Ministry. The "Central Division for Kultur" may be classified as a mixture of a publicity office of the Ministry and a branch of the secret state police. In contrast to the ten main sections of the Ministry, the "Central Division for Kultur" does not exercise executive functions of its own outside the Ministry.

1. Central Office
2. Planning Office
3. Armament Bureau
4. Generalreferat for Economics and Finance
5. Raw Material Bureau
6. Armament Supply Bureau
7. Production Bureau for Consumers' Goods
8. Technical Bureau for Armament End Products
9. Building Bureau
10. Power Bureau. 1/

The wording of Speer's decree creates a prima facie impression that the Speer Ministry actually was divided into twelve sections; the decree lists the Armament Supply Bureau twice and mentions a special "Technical Bureau" as distinguished from the "Technical Bureau for Armament End Products". More recent official publications, especially Speer's "simplification decrees" of November 12 and 15, 1944, indicate that the two Armament Supply Bureaus mentioned in the 1943 decree represent only different branches of one Bureau, and that the so-called "Technical Bureau" is only an abbreviation of the "Technical Bureau for Armament End Products."

In his decree of October 29, 1943, Speer pointed out that he was opposed to the idea of applying "theoretical principles" to the organization of the German war economic administration. Considerations of expediency, rather than a logical system of hierarchies, control the structure of the new bureaucracy established by Speer on the ministerial, regional and local levels. Hence it is not possible to summarize the relationship between the various bureaus of the Speer Ministry and their respective subordinate agencies, without neglecting significant exceptions in individual cases. The following table is restricted to the most characteristic features of the organization of the agencies under Speer; details can be found in the translation of the decree and in the chart (Appendices 1 and 2).

<u>Ministerial Offices</u>	<u>Agencies Controlled</u>
1. Central Office	-
2. Planning Office	<u>Reichsstellen</u> , Reich Associations
3. Armament Board	Armament Inspections and Armament Commands

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1/ This list corresponds to the semi-official items which were published late in 1943 in several German papers and periodicals. The publications, however, did not indicate that the Armament Supply Bureau, as well as the Technical Bureau for Armament End Products, served simultaneously as War Production Bureaus and as Bureaus for Special Tasks.



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| 4. <u>Generalreferat</u> for Economics and Finance | Corporations controlled by the Speer Ministry  |
| 5. Raw Materials Bureau                            | Reich Associations (and a few Rings and Economic Groups)   |
| 6. Armament Supply Bureau                          | Rings (and some Main Committees), Armament Chairmen, Power Engineers                                   |
| 7. Production Bureau for Consumption Goods         | Economic Groups and Production Main Committees to be established within these Groups                   |
| 8. Technical Bureau for Armament End Products      | Main Committees, Army District Deputies  |
| 9. Building Bureau                                 | Regional Building Commissioners (and a Main Committee and Economic Groups in the field of building)    |
| 10. Power Bureau                                   | Special Agencies on the ministerial and regional level (Economic Groups in the field of power supply). |

Since the organization of the Speer Ministry was subjected to far-reaching changes late in 1944, it does not seem proper to go into further details with reference to the 1943 reorganization. The decree of October 29, 1943, however, is indispensable for an understanding of the present situation, because the "simplification decrees" of November 1944, represent only a sort of amendment to the 1943 decree. The analysis of the Speer Ministry and its subordinate agencies which is presented in the second part of this paper is based on the most recent information available, and goes back to the decree of October 29, 1943 only in those questions regarding which later information was not available.

A considerable part of the decree of October 29, 1943 consists of rules and regulations which became effective at once. Other parts of the decree, however, were programmatic in character; examples are the rules concerning the establishment of Main Production Committees in the field of the production of consumer goods, and the shifting of jurisdiction from the Reichsstellen to other agencies under the Ministry of Armament and War Production, in questions related to the steering of war production. Hence in many respects the decrees of September-October 1943 apply to the regional and local agencies

as providing the basis of a reorganization to be executed in the future, rather than as bringing about an immediate change in the structure of German War economy.

The Application of the Reorganization Decrees to Subordinate Agencies of the Speer Ministry

Except for the purely organizational changes on the ministerial level, the main feature of the reorganization decrees of September-October 1943 must be found in the incorporation of the administrative and self-administrative agencies which hitherto had been controlled exclusively by the Ministry of Economics, into the bureaucratic hierarchy of the Speer Ministry. Those agencies which had been controlled by the Speer Ministry before the enactment of Hitler's concentration decree of September 2, 1943, remained almost unaffected by the reorganization decree. This holds true not only for the Rüstungsdiensstellen (Armament Inspections and Armament Commands), the bureaucratic pillars of the Speer Ministry on the regional level, but also for Main Committees and Rings and their subordinated instrumentalities, the Special Committees and Special Rings, and the Arbeitsausschüsse and Arbeitsringe. As far as these bureaucratic and self-administrative agencies are concerned, the chief significance of the reorganization regulations must be found in the detailed definition of their jurisdiction, and in the official recognition of the various powers which these agencies had previously exercised de facto.

As has been pointed out above, the 1943 reorganization of the war economic administration provided only for the functional control of the Speer Ministry over the bureaucratic and self-administrative agencies of the Funk Ministry. Since the reorganization did not abolish the jurisdiction of the Ministry of Economics to supervise these agencies in purely administrative and personnel matters, Speer alone was unable to adapt the structure, jurisdiction and functions of these agencies to the newly created situation. Hence the executory decrees of Speer had to be supplemented or accompanied by regulations issued by the Minister of Economics. This was accomplished through the joint decree of Speer and Funk on the reorganization of the Reichsstellen, mentioned above, and a special decree of Funk of December 23, 1943. The wording of the latter decree is not available, but an elaborate analysis of its contents can be found in the periodical Stahl und Eisen (1944, p. 67).

Funk's decree of December 23, 1943 recognizes explicitly the jurisdiction of the Ministry of Armament and War Production to treat the Economic Groups as instrumentalities of its own in all cases in which Speer decides to do so. This will be the case whenever Main Committees and Rings prove inadequate. Hence the Economic Groups are primarily

subject to the orders of Speer, secondarily to the orders of Funk, and thirdly to the orders of other supreme Reich authorities. In addition, the Economic Groups are required to fulfil all those functions which are enumerated in their own rules and by-laws. These rules and by-laws are, of course, imposed upon the various Economic Groups from above. Although Funk claims, in his decree of December 23, 1943, the right of supervising the Economic Groups in matters of personnel, he concedes to the Minister of Armament and War Production the authority to countersign all appointments and dismissals of officers of Economic Groups.

The detailed provisions on Economic Groups, contained in Speer's decree of October 29, 1943, and Funk's decree of December 23, 1943, destroyed completely the last remnants of autonomy within these organizations and converted them to instrumentalities of the central agencies of economic war administration.

The control of the Economic Groups by the Speer Ministry was not restricted to the national level. When the Gau Economic Chambers were established early in 1942, the regional sections of the Economic Groups were incorporated, together with the former Chambers of Industry and Commerce and the Chambers of Handicraft, into the newly created Gau Economic Chambers. The regional sections of the Economic Groups form special "Industrial Sections" within the Gau Economic Chambers. These industrial sections, as parts of the Gau Economic Chambers, are subject to control of Funk in questions of organization and personnel. The decrees of October 29 and December 23, 1943 indicate that as far as their functions are concerned, these individual sections are primarily subject to the rules and directives issued by Speer and his subordinate agencies. Of especial importance is the provision in the October decree, that the industrial sections of the Gau Economic Chambers serve as executive bureaus of the regional representatives (the Armament Chairmen) of Speer's Main Committees and Rings. Thus Funk's self-administrative institutions on the regional level were coordinated with Speer's self-administrative agencies.

By virtue of his power to reorganize the whole administrative structure for controlling the German war economy, Speer, in many cases, placed under the direct supervision of his Ministry Economic Groups which continued to exercise the rights and powers of Bewirtschaftungsstellen. The reorganization of the glass industry may serve as an illustration. 1/ The Economic Group "Finishing of Glass Articles" as Bewirtschaftungsstelle ceased to be an agency of the Reichsstelle glass, and it works now immediately under the Ministry. The complicated system of "steering spheres" which had characterized the reorganization decree of December 1942 was gradually to be abandoned. 2/

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1/ Berliner Boersen-Zeitung, July 21, 1944.

2/ Deutsche Volkswirtschaft 1943, p. 1018.



Simultaneously, the Reichsstellen were reduced to their original status as public agencies endowed with the control of raw materials. This development is wholly in accordance with the plan which was developed by Speer in Part II, 10, of his decree of October 29, 1943. The theory may be ventured that, in many cases, Speer eliminated the Reichsstellen as intermediary agencies between his Ministry and the Economic Groups in their capacity as Bewirtschaftungsstellen, because he was trying to exclude Funk from exercising the authority he had in personnel matters over the Bewirtschaftungsstellen (in their capacity as subordinate agencies of the Reichsstellen). The following illustrations represent an obvious general trend in all industries which are not classified as "war industries" in the narrow sense of that word. A Production Committee "Printing", which works immediately under the Speer Ministry, has been endowed with functions which up to now have been exercised by the Reichsstelle Printing. 1/ The Production Committee "Furs" has been endowed with the powers of the Warenverkehrsordnung: it will control the Bewirtschaftungsstellen in that field, thus replacing the Reichsstelle 'Furs'. 2/ A similar development is observable in the chemical industry. 3/

A strong tendency towards subjecting the Economic Groups to the immediate supervision of Speer has also appeared during recent months in the field of production of consumers' goods. Since Funk's jurisdiction is restricted to the distribution of consumers' goods, Speer was free to apply to the organization of the production of these goods the principles which had proved satisfactory in the field of war production in the narrower sense. More and more the production of such consumers' goods as textiles, timber goods, tobacco, and products of the food industry is supervised by "Production Main Committees" within the Economic Groups (Produktionshauptausschüsse), which are organized similarly to the Main Committees and Rings.

Although this development has not yet come to an end, it is safe to say that the organizational principles which were at first adapted by Speer to the Main Committees and Rings, in the field of war production in the narrower sense, now control almost the whole field of German economy. 4/

The organization of the German war economy is at present rather confused because the process of reorganization is not yet complete. Main Committees, Rings, and Production Main Committees

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1/ Der Neue Tag of October 11, 1944.

2/ Reichsanzeiger 1944, No. 219.

3/ Deutsche Allgemeine Zeitung of October 14, 1944.

4/ For an analysis of Produktionsausschüsse, see Deutsche Volkswirtschaft 1944, No. 16.

frequently make use of old Groups, Reich Associations and cartels as agencies of their own on the regional and local level. As far as can be seen at present, no uniform pattern exists in the various sectors of German war economic self-administration. However, it makes little difference which form of organization has been applied to the respective branches, because all existing and newly created organizations are in one way or another so closely tied up with the Speer Ministry that they actually constitute mere instruments of that Ministry.

There is some evidence that the Nazis themselves realize that the administrative machinery which is supposed to control German war economy is too complicated and wasteful for all practical purposes. Almost simultaneously, Deutsche Volkswirtschaft and Voelkische Beobachter published articles containing open criticism of the structure and functioning of the war economic administration. Paul Michlick's article in Voelkische Beobachter of September 2, 1944, under the headline "Save us from Bureaucracy" (Erloesung von der Bürokratie), appeals to individual businessmen to disregard all these innumerable questionnaires, issued by the various Economic Groups and similar institutions, which are obviously not important for the war effort. It is more than a coincidence that shortly after the publication of these articles, Speer again reorganized his Ministry, with a view to simplification. 1/

#### The 1944 Simplification of the Speer Ministry

In November 1944, Speer issued two decrees with a view to simplifying his Ministry and the agencies under his control. The two decrees were published in the official gazette of the Speer Ministry (Nachrichten des Reichsministeriums für Rüstung und Kriegsproduktion) of November 20, 1944. Since that gazette is classified as "confidential" inside Germany, the German public has not been informed about the details of the most recent reorganization of the German war economy. A translation of the decrees of November 12 and 15, 1944, can be found in Appendix 3 of this report. A rather confused and even misleading report on the "simplification" measures was published by Nonnenbruch, outstanding Nazi columnist on economic questions, in Voelkische Beobachter, January 1945.

The most important feature of the simplification decree is that which affects the field of personnel. The chief of the Central Office and the chief of the Armament Bureau resigned and were replaced by Dr. Hupfauer, a high official of the Labor Front. Simultaneously, Speer ordered the merger of these two bureaus in the near future. By substituting Dr. Hupfauer not only for the Mayor of Nürnberg, Liebel, the former chief of the Central Office, but also for General Waeger, who had been in charge of the Armament Bureau since early in 1942,

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1/ Nonnenbruch in Voelkischer Beobachter on "Concentration in Armament Economy" (January 1945). See also Deutsche Volkswirtschaft 1944, p. 867.

Speer eliminated the last representative of the Armed Forces from a leading position in his Ministry. This step is particularly significant because the Armament Bureau has been the domain of the generals since the early days of the Ministry for Armament and Munitions. General Waeger was the successor of General Thomas; the latter had been responsible for the prewar economic mobilization of Germany, and as chief of the Wehrwirtschafts und Rüstungsamt, responsible also for the control of armament production during the first phase of the war, before a special Armament Ministry had been established. The replacement of General Waeger by an official of the Labor Front is indicative of the increasing influence of the orthodox Nazi circles over war economy administration.

In contrast to the merger of the Central Office and the Armament Board, which (according to the decree of November 15, 1944) will take place "after an adequate period of transition", the Armament Supply Bureau was dissolved with immediate effect. The functions of that Board were assigned to other bureaus of the Speer Ministry. Simultaneously, the various Rings, Main Committees, etc., which had previously been controlled by the Armament Supply Bureau, were distributed among the Bureaus in charge of Raw Materials, Production of Consumers' Goods, and Armament End Products. The distinction between industry concerned with the production and processing of end products (Rüstungsendlieferung) and industry concerned with the production of raw materials and semi-finished goods (Zulieferungsindustrie) 1/ ceased to be the decisive test for the organization of the armament industry proper. The simplification of the Speer Ministry and its subordinate agencies introduced a new principle for the organization of the German war economy. The main distinction is made at present between the iron and steel industry on the one hand and all other industries on the other hand. The expression "iron and steel industry" covers the production and processing of these basic metals from the raw material to most refined end products, such as optical instruments, automobiles, machine tools, etc. The iron and steel industry is at present controlled by the "Technical Bureau". The "Technical Bureau" is the old "Technical Bureau for Armament End Products," after the most recent reorganization. It is needless to say that the "Technical Bureau" is in charge of almost the entire armament industry in the narrower sense of that term.

The remainder of German industry (i.e., all industry with the exception of steel and iron) is divided into two sections: the production of raw materials and semi-finished goods, and the production of end products. Raw Materials and semi-finished goods are controlled by the Raw Materials Bureaus; end products, by the Production Bureau. The

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1/ See Völkische Beobachter, September 23, 1944.



latter bureau is the old Bureau for Production of Consumers' Goods, under a name adapted to its new functions.

It may be admitted that this analysis of the jurisdiction of the various War Production Bureaus represents an over-simplification of the complicated system of German war production administration. As may be learned from Chart II in Appendix 4, there are several exceptions to this basic principle of distribution of jurisdiction. As a general rule, however, Speer has adhered to the broad conception of the iron and steel industry, which is deeply rooted in the tradition of German industrial organization; he has, therefore, concentrated the control of that industry in one office.

In the future, the Speer Ministry will be divided into eight sections: three Bureaus for Special Tasks, and five War Production Bureaus. These Bureaus are:

1. The Planning Office
2. The Central Office and the Armament Bureau
3. The Generalreferat for Economics and Finances
4. The Technical Bureau
5. The Raw Material Bureau
6. The Production Bureau
7. The Building Bureau
8. The Power Bureau

Details will be discussed in the second part of this report.

#### Speer Ministry and Four Year Plan Administration

The history of the Speer Ministry is not complete without a few remarks on the relationship between the Ministry of Armament and War Production and the Four Year Plan Administration. In October 1935, when Goering was appointed Delegate for the Four Year Plan (Beauftragter für den Vierjahresplan), he did not establish a Ministry of his own; nor did he create a sort of super-ministry. On the contrary, he made use of the pre-existing regular agencies, and merely appointed special commissioners in the various fields which were particularly important for the purposes of his office. These general commissioners were combined into a General Council (Generalrat der Wirtschaft). In the first phase of the war, the General Council lost most of its influence because the highest authority in all economic matters had been vested in Funk as Commissioner General for the Economy (Generalbevollmächtigter für die Wirtschaft). In 1940, however, Goering took over from Funk the authority vested in the latter as Commissioner General. Goering entrusted the General Council within the Four Year Plan Administration with jurisdiction to act as the supreme planning and "steering" authority.

The picture changed again in 1942, when Speer was appointed General Commissioner for Armament Tasks (Generalbevollmächtigter für Rüstungsaufgaben und Kriegsproduktion) in the framework of the Four Year Plan Administration. More and more Speer concentrated final jurisdiction over all matters concerning the planning of production within the section of the Four Year Plan Administration which was headed by him in his capacity as General Commissioner for Armament Tasks. The General Council was finally abolished in April 1943, and replaced by a three-man committee called "Central Planning" (Zentrale Planung). Members of that committee were Speer, Milch (Undersecretary in the Ministry for Aviation), and Görner (Undersecretary in the Prussian State Ministry). When, in the fall of 1943, Funk virtually was degraded to the rank of an executive agent of the Speer Ministry, he was simultaneously appointed a member of the Central Planning Committee. At the same time, a division of the Ministry of Armament and War Production called "Planning Office" (Planungsamt) was entrusted with the task of preparing and executing the decisions of the Central Planning Committee. On the basis of the development of the last year, it is probably safe to say that the Central Planning Committee in the Four Year Plan Administration is reduced to a mere formal existence, whereas the Planning Office of the Speer Ministry is actually in charge of all the overall questions concerning the distribution of raw materials, manpower and power, and the production of raw materials and consumption goods.<sup>1/</sup>

Only in one case does "Central Planning" have a genuine jurisdiction of its own, which is not purely formal in character. According to the joint decree of Funk and Speer of October 29, 1943, concerning Reichsstellen (Part B 3), Central Planning has to decide differences which may arise between agencies which represent the interests of the Armed Forces and those which represent the interests of the civilian population, with respect to the allocation of products which are needed both by the Armed Forces and the civilian population, such as food, textile products, shoes, etc.

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<sup>1/</sup> For details, see Berliner Börsen-Zeitung, November 21, 1943.



ALBERT SPEER'S POSITION OUTSIDE THE MINISTRY OF ARMAMENT  
AND WAR PRODUCTION

Although a member of the Reich Cabinet, Speer does not belong to the Reich Defense Council (Ministerrat für die Reichsverteidigung). In the Reich Defense Council, Funk is today the only expert for economic questions. This discrepancy between Speer's actual power and his formal position in the government is probably due to the role which both Speer and Funk have played in the history of the Nazi Party. Funk is an "old fighter"; Speer came relatively late to the Nazi Party. Hence Speer needed the backing of a high dignitary in the Party. The resistance of the party clique against a man who did not owe his leading position to his participation in the Nazi revolution was overcome by the subordination of Speer to Goering as Chief of the Four Year Plan Administration. Speer originally derived his extraordinary powers from his position as Commissioner General in various fields in the framework of the Four Year Plan Administration. As Commissioner General for Armament Tasks, Speer acted as claimant towards the Central Planning Office on behalf of all "armament" programs in the broadest sense. This function has lost almost completely its former significance due to the decreasing importance of the Central Planning Office. At present, the position of the Speer Ministry is so strong that Speer's position as Commissioner General has lost most of its practical importance; its present significance must primarily be found in the field of jurisdiction. As a Minister, Speer is, at least in theory, on the same level with the other members of the Cabinet, except where his Ministry has been vested by a Führer decree with extraordinary powers in some special field. As Commissioner General within the framework of the Four Year Plan Organization, Speer is entrusted with general extraordinary powers and subject only to the directives of Goering. It can be assumed that at present Goering -- although still the chief source of Speer's extraordinary authority -- no longer exercises any restrictive powers on Speer. For all practical purposes, the Four Year Plan Administration has become obsolete. Its disappearance would not basically change the picture of German economic administration. Created as a chief planning authority, the Four Year Plan Administration has delegated its main jurisdictions to the Speer Ministry as far as planning on a national level is concerned. To the extent that the various General Commissioners of the Four Year Plan Administration exercised executive rather than planning authority, their functions either have been taken over by one of the existing Ministries, or the holders of these positions exercise a quasi-ministerial authority and have attached one or several divisions of a Ministry to their office.

Albert Speer holds the following positions within the Four Year Plan Administration:

1. Member of the Central Planning Office. Since the Central Planning Office of the Four Year Plan Organization has no staff of its own and relies on the Planning Office of the Speer Ministry both with respect to the preparing and the executing of its plans; the Planning Office of the Speer Ministry is in reality the chief planning agency of the German war economy. As liaison officer between the Central Planning Office of the Four Year Plan Administration and the Planning Office of his own Ministry, Speer holds the controlling key position in the war economic administration.

2. General Commissioner for Armament Tasks (Generalbevollmächtigter für Rüstungsaufgaben). For all practical purposes, the functions of this office have been absorbed by the Ministry of Armament and War Production. Speer derives his authority to interfere with the jurisdiction of the Ministry of Labor and the Ministry of Transportation from his position as General Commissioner for Armament Tasks.

In the latter capacity, Speer has recently appointed a Reich Commissioner for Economic Transports (Bevollmächtigter für Wirtschaftstransporte) with authority to direct economic transports according to the requirements of war economy. The Reich Commissioner for Economic Transports supervises the activities of district and regional commissioners; the former were appointed for each District Transport Directorate, the latter for each Regional Transport Directorate. The Reich Commissioner for Economic Transports gets his instructions from the Planning Office of the Ministry of Armament and War Production. 1/

3. Inspector General for Water and Power (Generalinspektor für Wasser und Energie). This position is primarily executive in character and represents a hangover from the early period of the Nazi war economy. Speer has delegated the exercise of his powers as Inspector General for Water and Power to the chief of the Bureau Power Supply (Amt Energie), one of the War Production Bureaus of his Ministry.

4. Inspector General for Highways (Generalinspektor für das deutsche Strassenwesen). This position goes back to the pre-war period, when Fritz Todt was appointed, in 1934, Inspector General for the building of Reich automobile highways. Speer has delegated his functions as Inspector General for Highways to the chief of the section "Transportation" attached to the Central Bureau of his Ministry.

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1/ Deutsche Allgemeine Zeitung, December 20, 1944.

5. Commissioner General for the Regulation of the Building Economy (Generalbevollmächtigter für die Regelung der Bauwirtschaft). In his capacity as Commissioner General for the Regulation of the Building Economy, Speer had to reckon with powerful Dr. Ley, the Reich Housing Commissioner (Reichswohnungskommissar). The jurisdiction between Speer and Ley was divided as follows: the allocation of raw materials and labor for building purposes rested with Speer; the building of homes was in the hands of Ley. As Reich Housing Commissioner, Ley was in a position to ask for wholesale quotas (Globalkontingente) of raw materials and labor for building purposes. It was up to the Housing Commissioner to decide in detail on individual developments, types of buildings, repair works, etc., in the field of housing. There is some evidence that recently the jurisdiction of the Housing Commissioner has been restricted considerably and that the Commissioner General for the Regulation of the Building Economy and his subordinate agencies are at present in charge of deciding on individual housing projects. 1/

Speer has delegated his powers as Commissioner General for the Regulation of the Building Economy to the chief of the War Production Bureau "Building" (Amt Bau) of his Ministry.

6. Chief of the Organization Todt. The Organization Todt has been subjected to the control of the Ministry of Armament and War Production by a Führer Decree of September 6, 1943. It is attached to the section "Building" of the War Production Bureau and performs, among others, the functions of an executive agency of the Speer Ministry in the field of emergency building. This has become evident in connection with the problem of how to repair quickly armament factories and to restore plant capacity after air attacks. A special agency "Ruhr Staff Speer" (Ruhrstab Speer) was established, which is composed of representatives of the Speer Ministry, the Organization Todt, the Army, the Labor Front, and industry. Besides more general tasks, the "Ruhr Staff Speer" has jurisdiction to repair as soon as possible industrial air raid damages, to send specially formed labor detachments to the aid of raided cities, to secure gas, water, and electricity in raided districts, and to adapt the use of Todt workers, particularly in the Rhine and Ruhr districts, to emergency requirements. The execution of the decisions of the "Ruhr Staff Speer" has been entrusted to the Organization Todt. Speer is the chairman of the Ruhr Staff. In the course of the "total mobilization" of the year 1944, the Organization Todt has lost its position as auxiliary of the Army as far as the building of roads, fortifications and bridges is concerned. The army is supposed today to accomplish these tasks with its own forces.

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1/ See Deutsche Allgemeine Zeitung, December 6, 1944.



In the first years of the war, the Organization Todt was in charge of the manifold building projects in the occupied territories. When this task became almost obsolete late in 1944, Hitler issued a decree to the effect that the Organization Todt should be entrusted with armament buildings inside Germany. At present, the Organization Todt is so closely tied up with the section "Building" of the Speer Ministry that it seems proper to discuss the functions together with those of the Section "Building" (see below, p.50 ). Speer's deputy in the Organization Todt, Ministerialdirektor Doeh, is at present the leading figure in the field of German building economy.

7. Delegate for planning the reconstruction of bombed cities (Generalbauinspektor für die Reichshauptstadt). This position was given to Speer by a Führer decree of October 11, 1943 (published October 26, 1943). 1/ It has no immediate connection with Speer's position as leader of the German war economy but rather goes back to Speer's pre-ministerial city-planning activities.

Speer's jurisdiction was defined as follows:

- a. to determine, as far as possible, the outlines of the future layout of the cities to be reconstructed;
- b. to decide which authority is to be responsible for the planning, and to make suitable staff available for these authorities;
- c. to supersede the authority of the Reich Minister of Labor in all questions of city-planning concerning the cities to be reconstructed.

Legal and administrative regulations required for putting this decree into effect are jointly issued by Speer and Himmler.

8. Speer's position in the National-Socialist Party and its affiliated organizations. Since in present-day Germany "State" and "Party" are inseparably interwoven, a short analysis of Speer's position in the Nazi Party is indispensable for the understanding of the unique role which the Minister of Armament and War Production plays in German war economy. Although he does not hold the rank of a Reichsleiter, Speer belongs, in his capacity as head of the Main Office for Engineering (Hauptamt für Technik) of the NSDAP, to the upper crust of the Nazi Party hierarchy. The Main Office for Engineering is one of the twelve existing supreme Party authorities. As head of that office, Speer is Hitler's Delegate for all Questions of Engineering and the Organizations Related to Engineering (Beauftragter für alle Fragen der Technik und ihre Organisationen). The outstanding National-Socialist

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1/ RGBl. 1943, I, p. 575, Speer's power is not restricted to Berlin, but refers to all cities which Hitler classifies as Wiederaufbau-städte (cities designated for reconstruction).

organization related to engineering in NS-Bund Deutscher Technik (National Socialist Association of German Engineers) which is an "affiliated" organization of the National Socialist Party (like the German Labor Front, the National Socialist Welfare Organization, and the organizations for civil servants, doctors, teachers, and lawyers). Speer is the Oberbefehlsleiter of this Association which virtually represents a compulsory organization of all German engineers. The Association is divided into regional sections on the level of the Gaue. The Gau sections of the Association serve as executive bureaus of the Army District Delegates and will be discussed below.

## THE ORGANIZATION OF THE SPEER MINISTRY

### Introductory Remarks

In his speech of June 1944, Albert Speer characterized his ministry as a "true reflection" (Spiegelbild) of German industry. He pointed out that not only are most of the leading positions in the Ministry staffed with industrialists, but that the executive positions have also been entrusted to persons with a business background. 1/ A German ministry which lacks the traditional bureaucratic staff of trained lawyers and experienced administrators is for this reason alone unique in character. But it is not only for reasons of personnel that the Ministry of Armament and War Production does not correspond to the standard pattern of German Ministries. Its jurisdiction transgresses the scope of authority which is usually assigned to other Ministries. Hence the Speer Ministry has been characterized shrewdly as a "Ministry of Ministries," 2/ because it has an overall jurisdiction in all questions related to the making of plans for the German war economy and the execution of these plans. In an economy so thoroughly regimented as is the German economy of today, almost no question of administration can arise which is not -- either directly or indirectly -- affected by the drafting and execution of the basic plans of production and distribution. Actually, the Ministry of Armament and War Production is not primarily an executive agency on the central level, as the other Ministries are in the present totalitarian dictatorship based on the Führer principle. The Speer Ministry is rather a policy-making body, which at the same time is entrusted with the task of guiding and supervising the execution of the directives, regardless of whether other Ministries or its own subordinate agencies are in charge of the more distinctively administrative functions. The dual character of the Speer Ministry has found its most outspoken expression in the "Planning Office," which may be characterized as "the brain" of German war economy administration. The Planning Office forms a part of both the Four Year Plan Administration and the Speer Ministry proper. As has been pointed out above, it serves -- at least in theory -- as the executive agency of the section "Central Planning" of the Four Year Plan Administration. The following analysis is restricted to the Planning Office as a section of the Ministry of Armament and War Production.

### 1. The Planning Office

The Planning Office is headed by President Kehrl, a textile industrialist from Lower Silesia. Kehrl is at the same time head of the Raw Material Bureau of the Speer Ministry. As chief of the overall

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1/ Deutscher Reichsanzeiger, June 19, 1944.

2/ Paechter, in Journal of Political Economy, September 1944.

Planning Office and the vitally important Raw Material Bureau, Kehrl actually controls the allocation of raw materials and the distribution of labor supply, from both ends of the production process. There is also a close administrative contact between the two offices, inasmuch as both rely largely on the cooperation of Reichsstellen and Reichsvereinigungen. Although the Reichsstellen, from a purely administrative point of view, are subject to the control of the Minister of Economics, 1/ in all questions of production planning and distribution (except distribution of consumption goods to the civilian population) they are bound to comply with the orders of the Planning Office. 2/ The Reichsvereinigungen are almost completely controlled by the Speer Ministry; in fact, the most important Reichsvereinigungen (coal and iron) had recognized the supervision of the Ministry of Armament and War Production even before the enactment of Hitler's concentration decree. With the exception of Reichsvereinigung Iron, which belongs to the Technical Bureau, all Reichsvereinigungen are now controlled by President Kehrl. Even in questions related to steel and iron, the jurisdiction of the Technical Bureau is restricted to production proper. General economic questions in this field are handled by the Planning Office, which has taken over from the Armament Supply Bureau 3/ jurisdiction to deal with these problems.

Speer's decree of September 19, 1943, which defines in detail the functions of the Planning Office, contains in Part I, 3, a brief description of the planning methods which characterize the present-day German war economy. Planning is based on the necessities of war consumption. The Planning Office establishes a basic plan which regulates the kind and amount of production, as well as that of consumption, on the basis of the concrete proposals of the Reichsstellen and the various parts of the Armed Forces. 4/ The drafting of such a plan requires a careful analysis of the existing production potentialities, such as raw materials, semi-finished goods, labor, machines, power, space in factories, etc. It is the task of the Planning Office to collaborate with the various sections and subordinate agencies of the Speer Ministry, with a view to ascertaining what resources are at the disposal of the German war economy. 5/ The chief responsibility of the Planning Office is to adapt the production potentialities to the needs of total war, and to lay down a detailed list of priorities. 6/ The Reichsstellen, as agencies of the Planning Office, allocate raw materials, military goods, etc., to Main Committees, Rings, etc., which

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- 1/ See joint decree of Funk and Speer of October 29, 1943, Sub D 1.
  - 2/ See Speer's decree of September 16, 1943, Sub III, 2.
  - 3/ See Speer's decree of November 12, 1944, Sub IV.
  - 4/ See Funk's and Speer's decree of October 29, 1943, Part A 1.
  - 5/ See Speer's decree of September 19, 1943, Sub I, 3.
  - 6/ Ibid, Part I, 4.



distribute these materials either directly or indirectly (by using Economic Groups, Economic Chambers, Bewirtschaftungsstellen, etc. as their sub-agents) to the individual plants. 1/ As a part of this general scheme of utilizing all resources available, in accordance with a general plan, the Planning Office has to draft a design for the mobilization of manpower and the allocation of labor in the various sections of production. Since these problems are closely interrelated with the manpower needs of the Armed Forces, Speer's decree of September 19, 1943, has restricted the jurisdiction of the Planning Office in this field to mere preparatory steps, and vested "Central Planning" with the ultimate responsibility. 2/

In one of the few German newspaper articles on the organization of German war economy, 3/ the Planning Office was described as a bureau of the Speer Ministry which has jurisdiction to ascertain the demands for individual commodities, and to steer the process of production through all its stages, with the help of plans of production and consumption which are based on these demands. By its very nature, the Planning Office is put on a higher level than the other bureaus of the Ministry, although from a purely administrative point of view, all bureaus are of equal rank. When commenting on the reorganization decree of October 29, 1943, the Deutsches Nachrichtenbüro pointed out on November 13, 1943, 4/ that "the Planning Office has jurisdiction to direct the activities of the other sections of the Speer Ministry and to coordinate the results of their activities."

It is not enough, however, for the Planning Office to lay down the general lines of an overall plan, which sets forth what is going to be produced in the future and the manner in which the production potentialities are going to be used. The overall plan must be supplemented by more concrete programs. This holds particularly true for the production of those auxiliary goods which are needed for the carrying out of the general plan. The Speer Decree of October 29, 1943, makes a clear distinction between the drafting of the final plan and the establishing of production programs which are to serve as basis for the work of the overall planning authority. For the drafting of the more general plan deciding which of the various conflicting needs will be recognized and how the existing goods and facilities will be used for this purpose, Speer relies on the collaboration of Reichsstellen and Reichsvereinigungen. 5/ In deciding questions related to the drafting of production programs, especially in the complicated field of the production of auxiliary goods, Speer makes use of the proposals

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- 1/ See Funk's and Speer's joint decree of October 29, 1943, Part B 6.
  - 2/ See I, 4 of that decree.
  - 3/ Berliner Börsen-Zeitung, December 17, 1943.
  - 4/ News Digest, November 15, 1943.
  - 5/ Decree of September 16, 1943, Sub III.



of Main Committees, Rings, and Production Main Committees. 1/

The function of the Planning Office is primarily one of coordination and decision. It is in charge of collecting, examining, and reviewing all statistical material pertinent to the control of German war economy. The field work of the Planning Office, however, is seldom performed by an executive bureaucratic apparatus of its own which is staffed with officials and acts as subordinate agency in the traditional German sense. It is not by chance that the head of the Planning Office, President Kehrl, was originally in charge of the "debureaucratization" program of the Speer Ministry. An increasing number of Reichsstellen are run by Reichsbeauftragte, who make use, for all practical purposes, of the Economic Groups as their executive agencies. This happens quite frequently when a Reichsbeauftragter, as chief of the Reichsstelle, is at the same time the chairman of the Economic Group. A similar situation exists if a Reichsvereinigung has been endowed with the authority of a Reichsstelle, as is the case in the field of iron, coal and shoe production. Since in many cases the heads of the Main Committees, Rings, and Production Committees serve simultaneously as chairmen of the Economic Groups in their respective fields, one may come to the conclusion that the distinction between Reichsstellen, Main Committees and Economic Groups is primarily a functional one, since these respective agencies have various kinds of tasks to perform in connection with preparing and executing the plans of the Speer Ministry. From the organizational point of view, the same principle always comes to the foreground: i.e., to make membership compulsory in the "self-administrative" organizations of German industry after they have been converted from business organizations into instrumentalities of the totalitarian state, suitable for use in the furtherance of its economic policies. 2/

As far as Reichsstellen are concerned, no general pattern of organization is in existence. Each industry must be studied separately. One illustration may be presented as evidence of the close interrelationship between Reichsstellen, Main Committees and Economic Groups. In August 1942, the Economic Group "Optical and Precision Instruments" had been elevated to the rank of a Reichsstelle. Consequently, the director of that Economic Group exercised functions similar to those of a Reich Commissioner (Reichsbeauftragter) in that field. Early in

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1/ See Speer's Decree of September 16, 1943, Part III, a, and his decree of October 29, 1943, Part II, 6.

2/ An illustration may be helpful to the understanding of this phenomenon. Dr. Lange, who even in pre-Nazi times was the leading figure in the organization of German machine-tool industrialists, is at present the head of the Main Committee Machine Tools. Simultaneously he is the manager of the Economic Group Machine Tools. Finally, he fulfils the functions of a Reichsstelle for Machine Tools, by serving as a Reichsbeauftragter, who uses the Economic Group Machine Tools as his executive office.

1944, the head of the Main Committee "Optical and Precision Instruments" was appointed director of the Economic Group to replace the acting Reich Commissioner. The latter, however, was not deprived of his powers as holder of a public office. Once the positions of acting Reich Commissioner and chairman of the Economic Group "Optical and Precision Instruments" had been separated, the Economic Group could no longer serve as a Reichsstelle. All powers formerly vested in the Reichsstelle were entrusted to the Reich Commissioner in person. Since the Reich Commissioner has no executive agency of his own at his disposal, he is supposed to use the Economic Group "Optical and Precision Instruments" for this purpose.

The reasons for this change in organization must be found, according to Muenchener Neuste Nachrichten of April 12, 1944, in "practical considerations." The net result of the change is that, as far as optical and precision instruments are concerned, the government has connected the Economic Group more closely with the Main Committee, without interfering with the authority of the holder of the office of Reich Commissioner.

A detailed analysis of the various subordinate agencies of the Ministry of Armament and War Production supports, to a certain extent, Speer's statement 1/ that the organization of the German war economy has been entrusted to German industry as a matter of self-responsibility. The word "self-responsibility" should be read, however, in quotation marks, because in a totalitarian dictatorship self-responsibility in the Anglo-American sense is unthinkable. The nature of present-day German economic "self-administration" will be discussed in detail in the section which deals with the Technical Bureaus and Main Committees and Rings, the most outstanding types of "self-administrative" economic institutions.

A more recent list of the various Reichsstellen was not available. The list published in Berliner Buerstenzeitung December 17, 1943, is outdated.

## 2. Central Office (Zentralamt)

The Central Office, which is headed by Dr. Hupfauer (and which is to be merged with the Armament Board in the near future, is primarily a coordinating agency similar to the administrative business offices in other Ministries. It is in charge of questions of personnel and problems of the internal organization of the Speer Ministry. It has power to decide any minor jurisdictional conflicts which may arise among the heads of the various Bureaus for Special Tasks and the War Production Bureaus. In addition, the Central Office

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1/ Deutscher Reichsanzeiger, June 19, 1944.

has to supervise the cooperation on the regional level, of the various agencies subordinated to Speer. The latter task is probably rather important and difficult, because the various sections of the Ministry rely on the cooperation of many administrative and self-administrative agencies on the central, regional and local levels, which represent the most varied bureaucratic traditions and business attitudes.

The Central Office serves as political agent of the National Socialist Party in the Speer Ministry. It is responsible for the true "spirit" of the Ministry and its subordinate agencies. According to the reorganization decree of 1943, the jurisdiction of the Central Office in questions of personnel was restricted to non-military officials; after the most recent developments, it may be doubted whether this restriction is still in force.

The Central Office is the liaison agency of the Speer Ministry with other Ministries and Supreme Reich Authorities. In this capacity the Central Office is explicitly charged with jurisdiction to decide certain overall questions of transport and communication. This may explain the otherwise surprising fact that a special Department of Transport Organization (Bienstelle für Transportordnung) has been attached to the Central Office. 1/ The Department of Transport Organization has to examine the conditions of transportation for the various groups of goods, and to arrange for the control of transportation services. The Department goes back to the year 1942, when an Office of Transport Organization was jointly established by Funk and Speer. In its present form, the Department is headed by Hoffman, one of Speer's engineers, who is supposed to collaborate with representatives of the Transport Ministry and of the Ministry of Economics.

In 1944, when the Armament Supply Bureau was dissolved, the section "Armament Trade" was attached to the Central Office. In addition, the Central Office was endowed with jurisdiction to control the Power Engineers (Energieingenieure), who are responsible for saving coal, gas and electricity in the individual enterprises. (The functions of the Power Engineers will be discussed in the last section of this report.)

In contrast to all other sections of the Speer Ministry, which are concerned primarily with technical and economic problems, the Central Office is political and administrative in character. This may explain why it has been headed during all these years by so outspoken

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1/ See Kölnische Zeitung, September 14, 1943.



a politician as Liebel, the Mayor of Nürnberg. Liebel's replacement by Dr. Hupfauer of the German Labor Front indicates that in future the ties between the Speer Ministry and the National Socialist Party may become even closer than they were at the time at which the Central Office was headed by a man who could claim at least a certain amount of experience in the field of administration.

### 3. The Armament Bureau

The merger of the Central Office with the Armament Bureau may be explained by the fact that in many respects these two sections of the Speer Ministry fulfil similar functions. Whereas the Central Office is in charge of coordinating the Ministry of Armament and War Production with the highest civilian authorities of the Reich, the Armament Bureau is the liaison agency of the Speer Ministry with the Army. The Armament Bureau is the oldest section of the Speer Ministry. Early in 1938, a Staff Officer for War Economy (Amtsgruppe Wehrwirtschaftsstab) was established as a special section of the Armed Forces. At the beginning of the war, this staff office was converted into an Office for War Economy and Armaments (Wehrwirtschafts-und Rüstungsamt), under General Thomas. The regional operations of this office were carried on by Armament Inspectorates. No information is available concerning the present status of the Office, 1/ but the Speer Ministry took over the Armament Inspectorates, which had been established in the various army districts and which will be analyzed in detail below. Control over these executive agencies is now vested in the Armament Bureau of the Speer Ministry. Obviously, after the Central Office and the Armament Bureau have been merged, the head of the new section will not only supervise the most important field officers of the Speer Ministry in respect to all questions of personnel, but will also direct and control their functional activities.

In the official gazette of the Speer Ministry, the functions of the Armament Bureau have been described as follows:

"It is the agency of the Ministry of Armament and War Production for safeguarding the production factors in the entire armaments industry . . . 'Production factors' in the meaning of this announcement are labor, power and fuel, transport and communications. In addition, the Armament Bureau is in charge of supervising the execution of all orders of the Armed Forces". 2/

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1/ Neumann, Behemoth, 2 ed., p. 594.

2/ Speer Nachrichten, September 6, 1943.



The latter function is primarily exercised by the Armament Inspectorates on the regional level. As supervising agency over these Inspectorates, the Armament Bureau acts as a sort of trustee of the Armed Forces in all questions of armament production. In an important speech of June 1944, Speer pointed out that until 1942 the Armed Forces had been in immediate contact with the individual factories which produce weapons and ammunition. It was one of the decisive steps of Speer's reorganization of German war economy administration, that the power to allocate armament contracts to the individual enterprises and to instruct and check the individual plants with respect to the execution of the various orders, was shifted to the Armament Ministry and its subordinate agencies. 1/ With the exception of allocation of contracts, all these functions have been entrusted to the Armament Bureau and its subordinate agencies. The Armament Bureau is the extended arm of the Armed Forces within the individual plants. 2/

#### 4. Generalreferat 3/ for Economics and Finance

In contrast to the Armament Bureau, which is in charge of the technical aspects of production, the Generalreferat for Economics and Finance has been endowed with jurisdiction in questions which are primarily economic in character. The Generalreferat is divided into the following three subdivisions: Economics, Finance, Law.

To the extent that the Generalreferat deals with economic questions of a relatively general character, its jurisdiction competes with that of the Funk Ministry. Speer's decree of October 29, 1943, at one point refers explicitly to the necessity of a close cooperation between the Generalreferat and the Ministry of Economics. The closest contacts exist between these two agencies in the field of foreign currency, foreign trade, and questions of commercial law, which belong primarily to the jurisdiction of the Ministry of Economics and which have been assigned to the Generalreferat only in those matters which have a special interest for the Speer Ministry and its subordinate agencies.

On the other hand, despite the close contacts between the Generalreferat and the Ministry of Economics, it is somewhat misleading to characterize the Generalreferat as the liaison agency between the Speer Ministry and the Funk Ministry as Deutsche Nachrichtenbüro did in November 1943, when it informed the German public about Speer's reorganization decree of October 29, 1943. 4/ Speer has delegated

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1/ Deutscher Reichsanzeiger, June 19, 1944.

2/ For a more detailed list of the functions of the Armament Bureau, see Appendix 1, I, 3 b.

3/ An untranslatable term, meaning an office for handling a special subject-matter.

4/ News Digest, November 15, 1943.

his power to act jointly with Funk in deciding personnel questions concerning officers of the Economic Groups, to his Central Office and not to the Generalreferat. Again, the Generalreferat does not act as intermediary between the two Ministries if the Minister of Economics does not agree with the Planning Office of the Speer Ministry in questions related to the supply of the civilian population with food and other commodities. When the same types of commodities are needed both by the Armed Forces and the civilian population, the Minister of Economics is authorized to ask for a decision of the Central Planning Office. 1/

Of especial importance is the jurisdiction of the Generalreferat to regulate prices, and to exercise control over prices in all questions related to production. Within the Speer Ministry an interdepartmental committee called Operating Staff for Group Prices (Arbeitsstab Gruppenpreise), which consists primarily of representatives of the Price Commissioner and the Speer Ministry, has jurisdiction to fix uniform and group prices to be paid to Government contractors and sub-contractors. Speer is represented on this Staff by the chief of the Generalreferat (the former chief of the Commerzbank), Professor Hettlage. 2/ Hettlage's authority in the financial field is not restricted to the regulation of prices and to questions of taxation and accounting; in addition, he has authority to grant credit and subsidies, compensations and indemnities, to the enterprises controlled by the Speer Ministry. It is not by accident that a representative of one of Germany's outstanding banks was appointed as head of the Generalreferat.

In order to accomplish his functions in matters which are primarily financial in character, Hettlage makes use of certain corporations which are under the strict control of the Speer Ministry. The majority of the shares is held by the government. The euphemistic phrase in Speer's decree of October 29, 1943, that these corporations are "betreut" (guided) by the Ministry of Armament and War Production is misleading. Actually these corporations are mere instrumentalities of the Speer Ministry, without a shadow of autonomy. Hence it makes no difference whether these firms are organized as stock companies or as corporations with a more personal character. 3/

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- 1/ See joint decree of Speer and Funk, of October 29, 1943, B 2 and 3.  
2/ Details are discussed in the report on the Price Commissioner.  
3/ The German term for stock company is Aktiengesellschaft, abbreviated A.G. A special type of corporation which is characterized by a lack of publicity is called Gesellschaft mit beschränkter Haftung, abbreviated GmbH. This is a corporation with limited liability. GmbH shares cannot be sold at the stock exchange. In most cases the shares are in the hands of a relatively small circle of stockholders.

Speer mentions seven corporations which were controlled by the Generalreferat at the time when the reorganization decree was issued. One of these corporations (Energiebau-Ost G.m.b.H.) has probably been liquidated in the meantime. No information was available on Verwertungsgesellschaft für Montanindustrie G.m.b.H. Information was available, however, on the following:

(1) Rüstungskontor G.m.b.H.

This corporation serves as a central clearing house for the allocation of steel and non-ferrous metals. It includes an Armament Audit Office, which maintains a quota amount for each member. It has absorbed the Luftfahrtkontor, an agency of the Air Ministry which performed similar functions in the early period of the war. As will be discussed below, the Rüstungskontor G.m.b.H. acts in exceptional cases as intermediary between firms which are interested in the exchange of machines. Professor Hettlege is director of Rüstungskontor.

(2) Betriebsmittel G.m.b.H.

This is a subsidiary of Rüstungskontor. It buys machine tools and leases them to industrial enterprises.

(3) Generatorkraft A.G.

This corporation was created with a view to financing the transformation of motor vehicles using gasoline into producer gas vehicles.

(4) Festkraftstoff A.G. 1/

This corporation is concerned with the production and supply of the fuel for producer gas.

(5) Heeresrüstungskredit A.G. 1/

This corporation acts as an agent of the Speer Ministry in granting long-term credits to manufacturers of army equipment.

(6) Erdölanlage G.m.b.H. was organized with a view to prospecting for oil lands and to encouraging and promoting the production of oil.

(7) Roges (Rohstoffhandelsgesellschaft m.b.H.) served as ancillary of the Speer Ministry in the transfer of machinery and plants from the occupied territories to Germany. No detailed information was available.

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1/ Not mentioned in Speer's decree of October 29, 1943.



### 5. The Technical Bureau

The Technical Bureau, headed by Hauptdienstleiter Sauer, is at present the only bureau of the Speer Ministry which fulfills the functions both of a Bureau for Special Tasks and a War Production Bureau. When the Armament Supply Bureau was dissolved by a decree of November 15, 1944, nothing was published on the question as to where functions were to be transferred which had been exercised by the Armament Supply Bureau in its capacity as Bureau for Special Tasks. It may be assumed that all these functions were taken over by the Technical Bureau, with the exception of the jurisdiction of the Armament Supply Bureau to supervise and guide the Power Engineers. The latter jurisdiction went to the Central Office. This conclusion is based on the following considerations:

In November 1944, control over all questions of production in the steel and iron industry was concentrated in the Technical Bureau. Hence, the function of steering contracts for iron and steel, hitherto entrusted to the Armament Supply Bureau, now probably belongs to the Technical Bureau. 2/ At present the Technical Bureau controls not only most of the Main Committees, but also the majority of the Rings. This fact supports the conclusion that jurisdiction to promote industrial self-administration and to direct the Armament Chairmen has been transferred from the Armament Supply Bureau to the Technical Bureau. Since the decree of November 15, 1944 says explicitly that the Technical Bureau has taken over the Amtsgruppe Armament Supply Industry, the jurisdiction to plan, exchange and control means of production fits best into the jurisdiction of the Technical Bureau. Since it is entrusted with the responsibility of steering production in the field of armaments proper, probably the Technical Bureau also has to take care of all basic problems concerning the utilization of handicraft for armament production.

If one adds to this list of recently acquired fields of jurisdiction the original tasks 3/ of the Technical Bureau in its capacity as Bureau for Special Tasks, one comes to the conclusion that at present the Technical Bureau has an overall jurisdiction in

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1/ Enumerated in Part 3 c of Speer's decree of October 29, 1943.

2/ The decree of November 12, 1944, distinguishes in Part IV between "functions relating to production" and all other functions of the Amtsgruppe Iron and Steel. The former belong to the Technical Bureau, the latter to the Planning Office. On February 1, 1943, a special "Steering Agency Iron and Steel" was established within the Reichsvereinigung Iron (Deutscher Reichsanzeiger, 1943, No. 261). Since the Reichsvereinigung as a whole is now controlled by the Technical Bureau, it is safe to say that the task of steering contracts for iron and steel was also shifted to the Technical Bureau. The difficult question whether "steering of contracts" forms a part of "production" need not be decided.

3/ Enumerated in Part I, 3 c, of Speer's decree of October 29, 1943.



all questions related to engineering and to the production process proper,<sup>1/</sup> besides its particular jurisdiction as one of the War Production Bureaus to steer production in the iron and steel industry. The fact that the same bureau of the Speer Ministry is in charge of general problems of production and of all special problems of the armament industry, in the narrower sense of that word, is indicative of the tendency to subject all general problems of production to the specific needs of the armament industry. Since the production of armaments proper is of overwhelming importance in the present German war economy, the Technical Bureau is the most important section of the Speer Ministry in all questions related to the execution of the general plan of production. In power and responsibility, the only rival of the Technical Bureau is the Planning Office, which has to draft this general plan of production.

A detailed list of the various branches of the iron and steel industry which are guided by the Technical Bureau, and a similar list of the Main Committees and Rings which are controlled by the Technical Bureau, can be found in Chart II, Appendix 4, of this report.

Since most of the existing Main Committees and Rings are at present under the supervision of the Technical Bureau, it seems appropriate to add some general remarks on the functions of these "self-administrative" agencies of the Speer Ministry. The analysis is based both on various decrees of the Speer Ministry and on items published in German papers and periodicals which deal with the activities of certain individual "self-administrative" agencies. No distinction is made between Main Committees and Rings on the one hand, and Production Main Committees on the other hand, because they fulfil identical tasks. Relatively little factual information was available on the activities of Main Committees and Rings, the "self-administrative" agencies in the field of the armaments industry proper. This is easily understandable if one realizes that on July 26, 1943, Speer issued a decree to the effect that for reasons of security the publication of all directives, lists, circular letters, etc., which contained compilations of such organizations as Main Committees and Rings, had to be stopped at once. On March 16, 1944, Speer repeated this order and recalled with immediate effect all organizational charts which had been circulated by certain organizations contrary to the order of July 26, 1943.

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<sup>1/</sup> In its capacity as Bureau for Special Tasks, the Technical Bureau is responsible for the "development of technical processes." This function is now particularly burdensome, since Speer has issued a decree to the effect that technical improvements in the field of mass production will be admitted only in exceptional cases. Details will be discussed below, in connection with the establishment of the office of a Concentration Delegate in the Speer Ministry (see section on Special Delegates within the Ministry).

More detailed information was available on the following "self-administrative" institutions of the Speer Ministry:

Main Committee "Implements and Miscellaneous Supplies for the Armed Forces" (Vierjahresplan, 1944, p. 44);  
Ring "Screws" (Deutsche Allgemeine Zeitung, October 3, 1944);  
Production Main Committees "Leather" (News Digest, October 24, 1944);  
"Textiles" (News Digest, July 19, 1944);  
"Timber Products" (Deutsche Allgemeine Zeitung, March 4, 1944);  
"Products of the Food Industry" (Deutsche Bergwerkezeitung, July 6, 1944);  
Main Committee "Optical and Precision Instruments" (Deutsche Volkswirtschaft, 1944, p. 953);  
"Glass" (Berliner Börsen Zeitung, July 21, 1944);  
"Gypsum" (*ibid.*, July 18, 1944);  
Ring "Machine Tools" (Deutscher Reichsanzeiger, July 9, 1944).

A detailed analysis of Main Committees, Rings and Production Main Committees in the various fields of industry can be found in the special studies on the individual branches of German industry. The following remarks are neither exhaustive nor applicable to all "self-administrative" institutions; their only object is to explain in a general way the functions and activities of these "self-administrative" institutions.

Main Committees, Rings and Production Main Committees can be characterized as "self-administrative" institutions only with certain reservations. The term "self-administration" has an ambiguous character in the German language. It indicates, on the one hand, that certain fields of public administration have been entrusted to non-officials; this, however, does not necessarily affect the character of the administrative agencies which are run by such honorary officials. They remain government agencies. "Self-administration" may mean, on the other hand, that certain public tasks are in the hands of autonomous institutions which do not form an integral part of the government machine. Main Committees, Rings and Production Main Committees can be qualified as "self-administrative" institutions in the former sense of that word only. They are in reality government agencies, staffed with non-officials who are connected with leading enterprises of the various branches of business. 1/

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1/ The legal character of the self-administrative economic institutions is discussed in an article by Heinrich Drost in Zeitschrift der Akademie für Deutsches Recht, 1940, p. 25.

The peculiar character of these "self-administrative" institutions may explain why the War Production Bureaus exercise not only supervising but also commanding functions over Main Committees, Rings, and Production Main Committees. The War Production Bureaus are, in the German terminology, "Befehls-und Aufsichtsstellen" (commanding and supervising authorities) for the "self-administrative" institutions. Main Committees, Rings, and Production Main Committees are executive agencies of the War Production Bureaus of the Speer Ministry.

Although Speer has incorporated Main Committees, Rings and Production Main Committees into the machinery of his Ministry, he fights against the tendency of these institutions toward bureaucratization. In a speech of June 1944, 1/ Speer warned them against "petrification", and praised the spirit of improvisation which had characterized Main Committees and Rings in the early phases of their existence. On the same occasion, Speer expressed his satisfaction with the fact that many files of his Ministry were burned during an air attack on Berlin. Files, in his opinion, are only too frequently obstacles to the sort of initiative which he expects from his "self-administrative" agencies.

Speer's wholly pragmatic approach to all questions of organization found its expression 2/ in the statement that no general line of demarcation should be drawn between Main Committees and Rings on the one hand, and their Special Committees and Special Rings on the other hand.

The distribution of jurisdiction between Main Committees and Special Committees, subordinated to them, may be exemplified by the case of the Main Committees Steel and Iron Construction. The Main Committee is responsible for harmonizing production in the entire industry. For this purpose it controls the utilization of the various plants and takes steps to ensure the general conditions necessary for production. The Special Committee, on the other hand, is in charge of controlling the details of production in the individual plants. The Special Committee has jurisdiction to check operations in order to ascertain whether the various orders are carried out in due time and at the least cost in labor and materials.

In contrast to the Main Committee, which has general jurisdiction to allocate the necessary supplies, labor and equipment to the various plants, the Special Committee has to see to it that the individual plant actually receives all these materials which have been allocated to it.

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1/ Deutscher Reichsanzeiger, 1944, No. 137.

2/ See decree of October 29, 1944, II, 8.



Special Committees, Special Rings, and Production Committees all make use of Arbeitsausschüsse and Arbeitsringe, which are, however, wholly dependent instrumentalities.

The functions of Main Committees, Rings and Production Committees were enumerated in Part II, 12 a-d, of Speer's decree of October 29, 1943. Speer classifies functions into four main groups, which concern:

- (a) prerequisites of manufacturing;
- (b) the products themselves;
- (c) the manufacturing process in general;
- (d) the plant.

The list of the 35 various tasks of Main Committees, Rings, and Production Main Committees clearly indicates that these institutions are active in both the economic and the technical fields. In respect to the technical functions which are enumerated in the passage cited (b-d) it is sufficient to refer to the detailed statement in the decree. The brief remarks on the economic functions listed under "a", however, require a brief comment.

Main Committees, Rings, and Production Main Committees collaborate in the drafting of the general plan of production. Speer has made it their duty to submit to the Planning Office, on their own responsibility, basic information and concrete suggestions concerning production in their respective fields. 1/ This function becomes even more important after the general production plan has been laid down by the Minister of Armament and War Production, Main Committees, Rings, and Production Main Committees act as intermediaries between the Reichsstellen and the individual plants, in all questions related to the allocation of raw materials, auxiliary materials, fuel, coal, gas, etc. They are the claimants as well as the recipients of total quotas (Globalkontingente), which they assign to the factories under their supervision in accordance with the production programs of the Ministry. 2/ Finally, they check the individual plants in all questions related to the utilization by these plants of the materials allocated to them. 3/ It has already been explained that Main Committees, Rings, and Production Main Committees often delegate these functions to Special Committees, Special Rings, Production Committees, Economic Chambers, and Economic Groups. This rather complicated procedure is only an expression of the general principle that the individual plant is prohibited from dealing immediately with its customers, and that each

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1/ See decree of Speer of September 16, 1943, sub II, 1.

2/ See joint decree of Speer and Funk of October 29, 1943, sub B 6.

3/ Speer's decree of October 29, 1943, sub II, 12 a.



factory is supposed to communicate exclusively with one agency of the economic administration. 1/

A practical illustration may help to explain how the Speer Ministry, "the self-administrative" institutions under Speer, and the factories controlled by him, actually collaborate with one another. According to Speer's decree of June 16, 1944, concerning the production of machine tools, 2/ it is the task of the individual enterprises to find out how large their demands for new machine tools are, and to inform the respective sections of Main Committees, Rings, Groups, etc., on the results of their inquiries. The "self-administrative" institutions subject the applications of the individual enterprises to pre-examination, and forward the pre-examined applications, with their recommendations, to the Rüstungslieferungsamt 3/ (Armament Supplies Bureau) in the Speer Ministry. The latter office receives demands for new machine tools from the Army, the SS, and such public enterprises as the Railway Administration, which are sent directly to the Rüstungslieferungsamt. Decisions must be made by this Office on the questions whether, and to what extent, the current situation as to raw materials and labor permits compliance with the demands for new machine tools as recommended by the pre-examining agencies. The Rüstungslieferungsamt allocates to the other War Production Bureaus in the Speer Ministry maximum quotas of machine tools which are supposed to be produced in the future; the War Production Bureaus distribute to the various sections of the Main Committees, Rings, and the Production Committees, permits for the purchase of machine tools. The individual enterprises finally get their contracts from the various self-administrative institutions.

The various functions of the "self-administrative institutions" are to a considerable extent interdependent. The institution of the "model enterprise", which was recently set up in the garment industry, may serve as an example of such an interrelation. Enterprises with a particularly good production record are declared by the "leader" of the self-administrative institution to be leading enterprises in their branch. They are obliged to permit their "competitors" to study all details of the production process in their plants and to apply the production methods of the leading enterprises to their own plants. As a consideration for this public service, "model enterprises" can claim preferred quotas with respect to war materials, machines and other necessary commodities. 4/

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1/ Speer's decree of October 29, 1943, Part II, 7.

2/ Deutscher Reichsanzeiger of July 9, 1944.

3/ According to the decree of November 15, 1944, jurisdiction to steer production in the field of machine industry has been transferred to the Technical Bureau.

4/ See Deutsche Volkswirtschaft, 1943, p. 642.

Main Committees, Rings and Production Main Committees frequently assume new functions because the traditional legal and administrative apparatus has proved unfit for the regulation of certain problems peculiar to a totally planned economy. Thus a special Examination Board has been established in the garment industry, which serves as a sort of substitute for the courts in all questions of warranty of contract. It is obvious that a wholesaler or a retailer who has bought goods of a poor quality from a manufacturer is not interested in money damages. What he wants is merchandise which he can use for his business purposes. Even a court decision which would grant him "specific performance" is of no avail to him, because the execution of such a judgment would wholly depend on the decision of the administrative agency which is in charge of the allocation of raw materials, labor, machines, power, etc., to the manufacturer. It was, therefore, only logical that the power to decide whether or not a claim for warranty of contract exists was entrusted, in the garment industry, to the agencies which are in charge of allocation of raw materials, and that all questions involved are handled by the respective Economic Groups rather than by the individual enterprises. 1/

Main Committees, Rings, and Production Main Committees are required to collaborate closely with one another. Thus, the Production Main Committee for Wrapping Paper has appointed experts for paper wrapping problems in the various Main Committees, Economic Groups, etc., with a view to controlling the methods applied by those firms which must be classified as consumers of wrapping paper. In addition, the Production Main Committee Wrapping Paper has appointed delegates in all enterprises engaged in the production of wrapping paper. 2/

The establishment of Goer's "self-administration" has not only affected the relationship between business and government, but has also modified the structure of German industrial society. The application of the "leadership principle" to the various self-administrative institutions may lead to the result that the chairman, who in most cases represents the leading firms of the branch of industry in question, acts as if the firms which are organized in a Main Committee or Ring formed integral parts of a newly created combine. As Heinz Paechter has pointed out in his recent article on "Recent Trends in the German Command Economy": 3/

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1/ Deutsche Volkswirtschaft, 1944, p. 627.

2/ Deutsche Volkswirtschaft, 1944, p. 686.

3/ Journal of Political Economy, September 1944, p. 230.

"The German machine building trade, with five thousand factories employing close to one million people, is pooled as though it were one firm under a unified management. The plenipotentiary can order machines transferred from one plant to another, can order an exchange of patents, distribute orders among the factories, enforce price legislation and fix standard prices, allot manpower, and direct investment."

Thus, the compulsory organization of all German firms into Main Committees, Rings and Production Main Committees may lead to a complete reorganization of the German combine system. The old combines seem to have lost some of their former significance, because Speer's industrial self-administrative institutions do not work with the various combines as a whole, but rather with the individual factories and production units which compose these combines. In a recent article, 1/ the author characterizes the old combines as antiquated and ripe for destruction, like the cartels. He continues, however, that real economic concentration in a directed economy can only take place via public institutions (i.e. Committees and Rings). If this tendency should prove a permanent one, the net result of Speer's reorganization of German economic administration would be the concentration of all business activities into a few monopolized combines which are directed and controlled by an overall planning authority.

#### 6. The Production Bureau

The name "Production Bureau" is misleading. The Bureau is actually the old Production Bureau for Consumers' Goods under a shortened title. After its jurisdiction had been extended by the "Simplification Decree" of November 15, 1944, to the production and manufacture of all sorts of end products except those which belong to the iron and steel and chemical industries, the words "for Consumers' Goods" were dropped, in order to adapt its name to the extended functions. At present, the Production Bureau controls the production of goods which are needed by both the civilian population and the Armed Forces, and the production of commodities which, although needed exclusively by the Armed Forces, are not armament in the narrower sense of that word. Speer's decree speaks in this context of "implements and equipment." The jurisdiction of the Production Bureau is more complex than that of any other Bureaus of the Speer Ministry. Although even today its chief importance consists in its control of such vital industries as textiles, leather, food and shoes, the Production Bureau is also in charge of such products as printing, paper

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1/ Industria (Stockholm), September 9, 1943.



processing, glass, ceramics, etc. Except in cases where jurisdiction was shifted from the Armament Supplies Bureau to the Production Bureau, the latter relies primarily on the support of Economic Groups and Production Main Committees within these Groups.

The absence of Main Committees and Rings in the field of production of consumers' goods must be explained historically. Main Committees and Rings were established only for the armament industry in the narrower sense of that word. Before the enactment of the concentration decree, Speer did not interfere with Funk's jurisdiction to steer the production of all commodities with the exception of those which were explicitly entrusted to the care of the Ministry of Armaments and War Production. Funk exercised his controlling functions primarily with the help of the Economic Groups. When Speer was entrusted with jurisdiction to control the whole German production, he indicated in his basic decree of October 29, 1943, the intention to collaborate in future with the Economic Groups, in all fields in which neither Main Committees nor Rings existed. Simultaneously he ordered the Economic Groups to create Production Main Committees of their own, 1/ which were to serve as executive agencies of the Bureaus of the Speer Ministry in the fields under their control. 2/

Like Main Committees and Rings, the Production Main Committees perform a dual function: they are charged with the task of promoting efficiency within the plants under their direction, and they have jurisdiction in the field of allocation of raw materials. They are supposed to "steer" production within their spheres of influence. Hence they have been endowed with the powers enumerated in the Warenverkehrsordnung.

In their organization, the Production Main Committees display a certain similarity to those Reichsstellen which are inseparably connected with Economic Groups. As was pointed out before, in various cases a Reichsbeauftragter has established a Reichsstelle by making use of the Economic Group which exists in that field. In the sphere of production of consumers' goods, special Production Commissioners have been appointed for various branches of production. The Production Commissioner does not run an office of his own, but relies entirely on the Economic Group which hitherto has exercised regulatory functions in that field. The Production Main Committees are subdivided into sections (Production Committees, Produktionausschüsse), which in many cases have been endowed with the powers of Bewirtschaftungsstellen. As a rule, Production Committees are based on the pre-existing branches of the Economic Groups, and cooperate closely with the Gau Economic Chambers and the regional and local Economic Groups.

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1/ For an analysis of Production Main Committees, see Deutsche Volkswirtschaft 1944, No. 17.

2/ See Speer's decree of October 29, 1943, II, 2.



The creation of Production Main Committees and Production Committees within the Economic Groups raised the question, how a line of demarcation could be drawn, separating the jurisdiction of the Ministry of Economics to direct and control the activities of the Economic Groups in general from Speer's power to direct and control the Production Main Committees and the Production Committees within the Economic Groups.

A first attempt to solve this problem can be found in Funk's reorganization decree, which was published on December 23, 1943. In that decree, Funk reserved for himself the power to control the Economic Groups in such questions as: prices, cartels, conditions of delivery and payment, calculation, taxation, patents, trademarks, and general questions of law and economy. At the same time, Funk recognized Speer's jurisdiction to direct and control the Economic Groups in all questions related to production proper, including allocation of raw materials, semi-finished goods and contracts, labor, production quotas, etc. A critical analysis of this distribution of jurisdiction leads to the conclusion that in respect to the production of consumers' goods, the Ministry of Economics was supposed to fulfil all those supervisory functions which in other fields of production had been entrusted to the Generalreferat Economics and Finance within the Speer Ministry. 1/

During recent months, the number of Production Main Committees has increased considerably. For example, Production Main Committees were established in the food industry. Various Economic Groups and Guilds which were formerly supervised by the Ministry of Food and Agriculture now receive their directives exclusively from the Production Main Committees, in respect to standardization, electricity, etc. 2/ A special Food Industry Department was established recently in the Production Bureau of the Speer Ministry, which is charged with the supervision of the Production Main Committees of the Food Industry. 3/

There is some evidence that the distribution of jurisdiction as envisaged in Speer's and Funk's decrees of 1943 did not work out satisfactorily. In a recent article which appeared in Völkische Beobachter, 4/ under the heading "Production Commissioners as Heads of Economic Groups", the author points out that "it is difficult to serve two masters", and refers in this context to the appointment of Speer's Production Commissioners as leaders of Economic Groups

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1/ See Stahl und Eisen, 1944, p. 67; and the reference to Funk's decree in Speer's reorganization decree of October 29, 1943, Part II, 13.

2/ Cf. Deutsche Bergwerkzeitung, July 6, 1944.

3/ Cf. News Digest No. 1603, November 13, 1944, p. 17.

4/ January 10, 1945.

in the following cases: Leather Industry, Paper Processing, Wood Processing, Chemistry, Ceramics, and Glass. 1/ The article clearly indicates a trend toward eliminating all influences on the Economic Groups except that of Speer. Once the Economic Groups are under the exclusive direction and control of Speer's Production Commissioners, they are merely instruments of the Speer Ministry. It may be assumed that for all practical purposes the distinction between "auxiliary" and "general economic" functions, mentioned in Speer's decree of October 29, 1943, has become obsolete. There is probably no longer any considerable difference in this field between the various branches of production.

The conversion of the Economic Groups from autonomous institutions into quasi-public agencies may help to explain why about 90 percent of the pre-existing German cartels were dissolved in 1943. 2/ In a wholly controlled and regimented economy, there is no longer any room for cartels as autonomous business organizations. The dissolution of the cartels does not mean, however, that their functions have become obsolete. The Economic Groups have assumed many of the functions which hitherto have rested with the cartels. Contrary to previous policy, a Group may now fix prices and regulate the output of individual enterprises if it has been entrusted by the Speer Ministry with these tasks. 3/ For all practical purposes, it does not make much difference in an individual case to the Main Committees, Rings, and Production Main Committees, whether they can require co-operation from regional and local organizations which have dropped their former label of cartel, or from those which have retained it.

More detailed information on Economic Groups may be found in the report on the Ministry of Economics.

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- 1/ In the leather industry, for instance, a first reorganization took place in March 1944, when the powers previously held by the Reich Commissioner were transferred to the Trade Group of the Leather Industry. In October 1944, a Production Commissioner was appointed, to whom a Main Production Committee and Special Production Committees were subordinated (News Digest, October 24, 1944). In the field of printing, the Reichsstelle for Paper was deprived of its jurisdiction to allocate paper to enterprises which are concerned with printing. This power was shifted to a newly created Main Production Committee "Printing", which works under the supervision of a Production Delegate. The latter has appointed regional production delegates who assist him in this task (Der News Tag, October 11, 1944).
  - 2/ Muenchner Neueste Nachrichten, August 30, 1943. See also Neue Zuericher Zeitung, October 13, 1944.
  - 3/ Cf. Singer on "German War Economy," in Economic Journal, August 1944, p. 207.

## 7. Bureau Raw Materials

As chief of the Raw Materials Bureau, President Kehrl is at present responsible for those parts of the German war industry which are concerned neither with the production and processing of steel and iron nor with the production of goods which are destined for immediate consumption. Inasmuch as the Raw Materials Bureau controls the vitally important chemical industry, it supervises war production in the narrower sense of that word. Its chief importance consists, however, in its control of such basic materials as coal, fuel, wood, non-ferrous metals, fibers, rubber, etc. As a rule, the Raw Materials Bureau and its subordinate agencies control the original production of these basic materials, whereas the Production Bureau is in charge of their processing and transformation into end products. No clear line of distinction has existed, however, since the enactment of the Simplification Decree of November 1944. Roughly speaking, the Production Bureau deals with those industries which require relatively large amounts of floating capital and relatively little fixed capital; whereas the situation is the opposite in the case of the industries controlled by the Bureau Raw Materials. A list of the industries which are supervised and guided by the Raw Materials Bureau, together with a list of the subordinate agencies of that Bureau, can be found in Chart II, at the end of this study. This list indicates the incorrectness of the frequently repeated statement that the Raw Materials Bureau exercises administrative control over the Reichsstellen. To the extent that the Reichsstellen participate in the planning of the general demands of raw and basic materials, and in the allocation of such materials to the various groups of production, they act as agents of the Planning Office. <sup>1/</sup> As a Production Bureau, the Raw Materials Bureau is in charge of executing rather than drafting the general plan of production in the field of raw materials. For this purpose, it makes use partly of Main Committees, partly of Rings, partly of Economic Groups, and in most cases of Reichsvereinigungen. In principle, the functions of the Raw Materials Bureau are not different from those of the Technical Bureau and the Production Bureau. As compared with the two other War Production Bureaus, mentioned above, the Raw Materials Bureau is concerned with relatively uncomplicated problems. The number and types of the products which it controls are relatively small; labor supply problems are less complicated than in the other two fields of production, because the industries which are controlled by the Raw Materials Bureau are primarily in need of unskilled workers; except in the field of the chemical industry new technical problems will not often arise, because the industries which are guided by the Raw Materials Bureau are not compelled to adapt their production to the constantly changing needs of modern warfare.

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<sup>1/</sup> See Speer's decree of September 16, 1943, Part III, 1.



It is probably for all these reasons that Speer did not impose any far-reaching changes upon the industries which are concerned with the production of war materials, after he had taken over this field of production from the Ministry of Economics in the fall of 1943. Except for cases in which he established Main Committees and Rings, he took over from the Ministry of Economics the pre-existing Reichsvereinigungen, Gemeinschaften, and Economic Groups. In the case of the chemical industry, he recently appointed a Production Commissioner who is in charge of a Production Main Committee within the Economic Group. 1/

The Reichsvereinigungen and Gemeinschaften which control the production of coal, synthetic fibers, hemp and wool, represented the most developed type of industrial organization which existed before the enactment of the concentration decree. Although the decrees which established the various Reichsvereinigungen and Gemeinschaften are not identical, certain characteristics are common to all of them. As was pointed out in an elaborate article on Reichsvereinigungen in Deutsche Volkswirtschaft, 2/ these associations were created with a view to fostering two basic aims: the regulation of market conditions, and the promotion of technical efficiency among their members. Hence they fulfil the functions of both Economic Groups and Main Committees or Rings. One of the characteristic features of Reichsvereinigungen is, that they comprise several Economic Groups which are related to various stages of production. They represent a tendency towards a far-reaching concentration of economic organization. In the Reichsvereinigung "Hemp", the organization of the manufacturers has been merged with that of the dealers. Once a Reichsvereinigung was endowed with the rights of a Warenverkehrsordnung, it could exercise a complete control over the vast field of production which was under its direction. Reichsvereinigungen are probably considered the most desirable form of economic organization when relatively few firms are engaged in the production of standardized products. For the more complicated problems of other industries, Speer had to introduce new organizational devices.

#### 8. Bureau Building

Unlike the Technical, Production, and Raw Materials Bureaus, the Bureaus for Power Supply (Amt Energie) and Building (Amt Bau) have executive agencies of their own on the regional level. As early

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1/ Deutsche Allgemeine Zeitung, October 14, 1944. For details, consult KIS-33: Civil Affairs Guide, The Chemical Industry of Germany.

2/ 1942, p. 561.



as 1942, Speer, in his capacity as Commissioner General for the Regulation of the Building Economy, established "Offices of the Building Commissioner" in each of the Armament Inspectorates. After the reorganization of the Speer Ministry in the fall of 1943, the Bureau "Building" of the Speer Ministry controlled Building Commissioners in each Gau. The Bureau "Building" of the Ministry was divided into four offices:

- (1) Building Economy
- (2) Armament Buildings
- (3) Allocation
- (4) Transportation of Building Materials. 1/

When, in the fall of 1944, the Organization Todt, until then restricted to building activities in the occupied territories and emergency districts and to auxiliary work for the fighting troops, was entrusted with the responsibility of carrying out the building program of the military and civilian authorities in the Reich proper, it became necessary to coordinate the Bureau "Building" of the Speer Ministry and its subordinate agencies with the Organization Todt. 2/

Although the Organization Todt and the Office of the Commissioner General for the Regulation of the Building Economy were not themselves affected by the reorganization, both the subordinate agencies of the Todt Organization and the various agencies of the Bureau "Building" of the Speer Ministry were subjected to far-reaching changes. 3/

The Bureau "Building" of the Speer Ministry was renamed Bureau "Building -- Organization Todt". It may be assumed that the old Bureau "Building" was merged with one of the central offices of the Organization Todt. Simultaneously, Speer supplemented these organizational steps by personnel measures. Speer's representative in the Organization Todt (Ministerialdirektor Dosch) is at the same time the chief of the Bureau "Building -- Organization Todt" and acting chief of the Office of the Commissioner General for the Regulation of the Building Economy.

Due to this reorganization, planning in the field of building, the central direction of all building activities, the execution of the plans, and the control of building materials have been concentrated

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1/ Vierjahresplan 1942, p. 525.

2/ The main source on the present situation in the German building economy is an elaborate article in Deutsche Allgemeine Zeitung, December 6, 1944, on Die Neuordnung des Bauwesens.

3/ The provisions of Speer's decree of October 29, 1943, on the Building Bureau are outdated. The decrees of November 1944 do not deal with these problems.

in one hand. The Bureau "Building-Organization Todt" is now the highest authority in all questions related to building. It drafts lists of the more important building projects which are scheduled for the next three months. These lists are based on the applications of those public and private agencies which claim building priorities. Applicants for building priorities are divided into nine groups, according to the type and purpose of the building project: Armament, Armament Supplies, Chemistry, Mining, Water and Power Supply, Transport, Housing and Private Buildings, Air Protection, and Armed Forces.

By a decree of Minister Speer of June 9, 1944, the entire Reich was divided into eight operating Groups of the Organization Todt (Organisation Todt Einsatzgruppen), each of which is headed by an Operating Chief (Einsatzgruppenleiter). The latter are the leading executive officials in the field of building on the regional level. They draft the regional building programs and supervise their execution; they are authorized to grant certain exemptions from the general ban on all building activities 1/ not approved by the Bureau "Building - Organization Todt" of the Speer Ministry; they have jurisdiction to allocate raw materials, labor, implements (Geräte) and building contracts to those in charge of individual building projects; and they decide whether an individual building project shall be carried out by the Organization Todt, by public agencies, or by private firms.

Each of the eight Einsatzgruppenleiter controls several Organization Todt Einsatzleiter, who represent the Bureau "Building - Organization Todt" on the level of the Armament Boards in all matters which relate to building for armament purposes proper. The Einsatzleiter are members of the respective Armament Boards. They are chiefly concerned with technical questions. It is their duty to advise the Armament Inspectors in all questions of building technique, and to supervise the regional and local sections of the Organization Todt and the public and private agencies engaged in building activities.

The Bureau "Building - Organization Todt" is also represented in the offices of the various Reich Defense Commissioners. All questions related to the civilian sector of building and to air protection building projects are handled on the regional level by Building Delegates (Baubeauftragte). The latter are attached to the Gauleiter in their capacity as Defense Commissioners but remain subject to the control of the Speer Ministry. The Building Delegates receive wholesale quotas (Globalkontingente) of building raw materials and labor, which they distribute among the various building projects supervised by them. Since the Building Delegates also have jurisdiction to grant exemptions from the ban on private buildings, it appears that the subordinate agencies of the Speer Ministry have considerably infringed upon the authority of the Gau Housing Commissioners (Gauwohnungskommissare).

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1/ See völkische Beobachter, October 18, 1944.

## 9. Bureau "Power Supply"

The Bureau "Power Supply" of the Speer Ministry is confronted with somewhat different problems, inasmuch as public utilities are not run in Germany by private enterprise, but rather by state and municipal authorities. The public character of the German water and electricity economy may explain the fact that a special advisory board has been established, both on the national and regional levels, for questions of water economy. The Board (Reichswasserwirtschaftsrat) is headed by Speer in his capacity as Commissioner General for Water and Power Supply. Beside the Speer Ministry, the following Supreme Reich Agencies are represented in the Advisory Board: the Ministries of the Interior, Agriculture, Economics, Labor, Transport, the Reich Forestry Office, and the Party Chancellery.<sup>1/</sup>

Public utilities are organized into one Economic Group for Electricity and one for Gas and Water Supply. The two Groups are coordinated as a Reich Group for Power Supply. These self-administrative institutions serve as executive agencies of the Bureau Power Supply, in all questions related to the production of electricity, gas and water. The functions of Reichsstellen, in both the field of planning and that of allocating, are exercised for power supply by special officers in the Power Supply Bureau: the central allocating agent for electricity and the central allocating agent for gas (Reichslastverteiler).<sup>2/</sup> On the regional level, the representatives of the Power Supply Bureau have been attached to the Gau Economic Office. Special power officials (Energiereferenten) are entrusted with questions of production as well as allocation of power; in addition, they act as planning agencies in their special field. The Energie-referenten are coordinating agencies for all questions of power supply on the regional level. The special problems of power allocation are entrusted to Bezirklastverteiler who belong to this staff.<sup>3/</sup> The regional agencies of the Bureau "Power Supply" are authorized to enforce regulations concerning the restrictions on gas and electricity.<sup>4/</sup>

On March 4, 1943, the chief of the Bureau "Power Supply" was appointed Special Delegate for Power Saving; <sup>5/</sup> and a few weeks later a special agency "Planning of Power" (Energieplanung) was established in the Bureau "Power Supply" of the Speer Ministry. This agency is headed by the chief of the Bureau "Power Supply". Leading personalities of the mining, chemical, steel and electro-technical industry, and representatives of public utilities, were appointed as members of an advisory board of the agency "Planning of Power." <sup>6/</sup>

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<sup>1/</sup> Section 2 of the decree of March 30, 1944, RGBl. 1944 I, 77.

<sup>2/</sup> Speer's decree of October 29, 1943, Part I f.

<sup>3/</sup> Speer's decree of October 29, 1943, Part IV f.

<sup>4/</sup> News Digest, January 13, 1945.

<sup>5/</sup> Archiv der Gegenwart, 1943, p. 5857. Vierjahresplan 1944, p. 42.

<sup>6/</sup> Archiv der Gegenwart, 1943, p. 5907.



"Planning of Power" has regional agencies of its own in each Gau. These District Power Offices (Bezirksenergiestellen) exercise controlling functions over the individual electricity, water, and gas works which are situated in the respective Gaue. 1/ In Berlin and Hamburg the District Power Offices have been attached to the Industrial Sections of the Gau Economic Chambers. 2/

No information was available as to why the Power Engineers in the individual Plants are not supervised by the Power Supply Bureau, but rather by the Central Office of the Speer Ministry.

#### 10. Special Delegates within the Ministry

Besides the Sections discussed above, delegates for special tasks have been appointed in the Ministry.

The Reich Labor Allocation Engineer (Reichsarbeits-einsatz-ingenieur) is the superior of 34 District Labor Allocation Engineers, and of the Labor Allocation Engineers in individual plants. His functions will be discussed in the last section of this paper. 3/

Recently a "Concentration Delegate" (Konzentrationsbeauftragte) has been appointed, who is concerned with problems of mass production. Speer ordered that successive series of products which no longer require technical changes must not be altered without the permission of the Concentration Delegate. The latter may permit changes only if they entail essential advantages. 4/

On the basis of a special decree of Hitler, of June 19, 1944, during the latter part of July Speer issued several orders to the effect that the work of the Office of the Concentration Delegate shall be primarily concerned with research on matters which either are vital for the pursuance of the war or may help to overcome shortages in raw material. The Concentration Delegate has a staff of his own, in which Main Committees, Rings, and Production Main Committees are represented. If the Concentration Delegate decides that a certain technical invention is deserving of further attention, he informs the Technical Bureau of the Ministry for Armament and War Production; the latter subjects the problems involved to additional examination. For this purpose, a special office of "Technical Development" has been established in the Technische Amt. 5/

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1/ See Deutsche Volkswirtschaft, 1943, p. 190.

2/ Deutsche Allgemeine Zeitung, December 28, 1944; News Digest, January 9, 1945.

3/ For a detailed analysis, see Die Zeitung, October 27, 1944.

4/ News Digest No. 1600, November 9, 1944.

5/ See Deutsche Volkswirtschaft, 1944, p. 835; and Nonnenbruch in volkischer Beobachter, October 10, 1944.



Within the Speer Ministry, an interdepartmental committee 1/ consisting primarily of representatives of the Price Commissioner and the Speer Ministry, has jurisdiction to fix uniform and group prices to be paid to the Government contractors and sub-contractors. 2/ It collaborates with a special committee of the Reich Group "Industry", which is in charge of the price fixing for industrial goods 3/ (Arbeitskreis Preisbildung für Rüstungsgüter der Reichsgruppe Industrie).

A special commissioner has been appointed for the conversion of plants and parts of plants from one field of production to another (Generalbeauftragter für Betriebsumsetzungen). 4/

District Commissioners have recently been empowered to check up on production programs and to take all possible steps to convert factories with mixed production to the manufacture of one product only. 5/

Finally, a special delegate for the maintenance and repair of consumers' goods (Beauftragter für Reparaturen) was appointed in January 1945. 6/ Dr. Hortreiter was named to this position. No detailed information about his functions was available. It may be assumed, however, that he relies on the cooperation of those Economic Groups and Guilds the members of which are particularly engaged in repair work on the various classes of consumers' goods such as shoes, clothing, furniture, etc. Several Guilds have appointed special commissioners for repair work (Reparaturdienstleiter), who have to check their fellow craftsmen in order to see that the latter meet the required quota of repairs and use up to 75 percent of their working time for repair purposes. 7/

A Special Claims Commission (Prüfungssonderstab) was established in the Speer Ministry, with jurisdiction to decide on legal claims based upon the cancellation of armament contracts between individual firms and the government. The authority of the Commission

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- 1/ Operating Staff for Group Prices (Arbeitsstab Gruppenpreise)
  - 2/ Details are discussed in an Appendix on the Price Commissioner, attached to EIS-11, Germany: Ministry of Economics.
  - 3/ Deutscher Reichsanzeiger, May 10 and 12, 1944.
  - 4/ Deutscher Reichsanzeiger, April 27, 1944.
  - 5/ News Digest, January 23, 1945, p. 3.
  - 6/ Deutsche Allgemeine Zeitung, January 16, 1945.
  - 7/ News Digest, February 8, 1945.

is restricted to contracts involving more than 20,000 marks. In minor cases, jurisdiction rests with the department of the Speer Ministry which has contracted with the claimant. Cases of this sort are no longer decided on the basis of the German Civil Code, but rather on the basis of a special decree of July 14, 1944, which has considerably limited the claims of the manufacturers concerned. 1/

11. Advisory Council within the Ministry

Speer has established an Armament Council (Rüstungsrat) within his Ministry, which is composed partly of representatives of the armed forces, partly of representatives of big business. The original members were:

General Field Marshal Milch	(Air Forces)
General Fromm	(Home Army)
Admiral Witzel	(Navy)
General Field Marshal Leeb	(Field Army)
General Thomas	(Army Office of War Economy and Armaments)
Pleiger	(Hermann Goering Works)
Roehnert	(Rheinmetall-Borsig)
Bücher	(Allgemeine Elektrizitäts-gesellschaft)
Kessler	(Bergmann)
Zangen	(Mannesmann Works)
Röchling	(Röchlingsche Eisenwerke)
Vögler	(Vereinigte Stahlwerke)
Pönsgen	(Vereinigte Stahlwerke)

It may be assumed that General Fromm, who was indicted for participation in the plot of July 20, 1944, has been replaced by another general. No information was available as to whether General Thomas, who has resigned from his post as chief of the Office for

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1/ Deutsche Allgemeine Zeitung, December 8, 1944. A detailed analysis of the substantive law of the Restabgeltungsordnung (Decree concerning compensations in case of cancellation of armament contracts by payment of lump sums) of July 14, 1944 can be found in Bankwirtschaft, December 1944, p. 425.

the Allocation of Manpower and Material in the Bureau for Special Tasks of the Speer Ministry, still belongs to the Armament Council.

Six of the representatives of business belong to the "steel and iron" group and two to the "electricity" group. Neither transport nor chemistry is represented on that board.

## SUBORDINATE AGENCIES OF THE SPEER MINISTRY ON THE REGIONAL LEVEL

### Introductory Remarks

On the regional level, Speer relies partly on agencies of his own (Armament Commissions, Armament Inspections, Armament Commands), and partly on agencies which are under the common control of the Ministry of Armament and War Production and the Ministry of Economics (Gau Economic Chambers, Regional Economic Offices). The situation is the more confused since the various "regional" agencies cover different geographical territories. In a speech delivered in April 1944, Dr. Erdmann, the General Secretary of the Reich Economic Chamber, pointed out that at that time 42 Gau Economic Chambers, 30 Regional Economic Offices, 24 Armament Commissions, and 22 Armament Inspections were in existence. In his decree of November 15, 1944, Speer announced that in the course of the reorganization of his Ministry, the complicated system of the various field offices under his control would be subjected to a process of simplification. No information is available as to whether and to what extent this program has been executed. In the same decree, Speer emphasized the fact that he did not intend to dissolve his "tried and tested armament field offices," i.e. the Armament Inspections and Armament Commands. The importance of these agencies becomes clear when one reads Speer's declaration that he "cannot dispense with them in the future."

There is some evidence that Speer's armament field offices and Funk's Economic Chambers and Regional Economic Offices are engaged in continuous jurisdictional struggles, and that up to now it has not been possible to reach a final solution to the question, how the traditional agencies of German economic administration are to be coordinated with the newly created agencies of the Speer Ministry.

### Armament Boards (Rüstungskommissionen)

Even before Speer was authorized by the Hitler decree of November 16, 1942, 1/ to establish regional Armament Boards as supreme executive agencies in the field of wartime economic administration, he had set up advisory armament boards of his own on the regional level.2/ In the fall of 1943, when the Speer Ministry and its subordinate agencies were reorganized, the functions of the various members of the Armament Boards were redefined. 3/ The decree of October 29, 1943 contains no information on the members of the new Armament Boards.

In its original form the Armament Boards were composed of the following members:

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1/ RGBl. 1942, I, 649.

2/ See Goering's decree of September 17, 1942, published in Reichsanzeiger, October 15, 1942.

3/ See Section IV 3 of Speer's decree of October 29, 1943.



The Armament Inspector (Rüstungsinspekteur)  
The Armament Commissioner (Rüstungsobmann)  
The Army District Deputy (Wahrkreisbeauftragter)  
The President of the Gau Economic Chamber (Gauwirtschaftskammer)  
The President of the Gau Employment Office (Gauarbeitsamt)  
The President of the Regional Economic Offices  
(Landeswirtschaftsamt)  
The Gau Economic Consultant of the National Socialist Party  
(Gaubewirtschaftsberater).

Vierjahresplan, which published this list late in 1942, did not mention a chairman of the Armament Board. The article from which the list is taken, 1/ as well as a similar article in Deutsche Volkswirtschaft, 2/ created the impression that the Armament Inspectors served simultaneously as chairmen of the various Armament Boards. On the basis of the Decree of October 29, 1943, however, there can be not the slightest doubt that the chairman of the Armament Board is not identical with the Armament Inspector. 3/ The same decree provided for the addition of the following agents of the Speer Ministry to the Armament Board:

The Building Delegate (Baubevollmächtigte) 4/  
The Regional Power Allocation Officer (Bezirkslastverteiler) 5/

After the Labor Allocation Engineers had gained increased importance as chief representatives of Speer within the individual factories, the District Labor Allocation Engineer was appointed as a permanent member of the Armament Board.

1. The Chairman of the Armament Board fulfils primarily coordinating functions. The necessity of coordination may arise with respect to:

- a. the interrelationship of the various executive agencies of civil administration in the economic field;
- b. the relations between the executive agencies of civil administration and the army;
- c. the interrelationships of the various factories which are supervised and guided by the administrative and "self-administrative" agencies of a given district.

The chairman of an Armament Board is responsible for seeing to it that

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- 1/ Vierjahresplan, 1942, p. 526.
  - 2/ 1943, p. 1018.
  - 3/ See IV, 3 a of that decree.
  - 4/ See IV, 3 c of that decree.
  - 5/ See IV, 3 f of that decree.

the system of unified economic control (Bewirtschaftungsstellen) functions smoothly; in other words, that each factory, as a matter of principle, is supervised and guided by one agency only.

2. The Armament Inspector, as head of the Armament Inspection, is the chief field agent of the Speer Ministry. His functions will be discussed in the following section of this report.

3. The Armament Commissioner is the representative of the Main Commissions and Rings in his district. For this purpose he makes use of the "Industrial Sections" of the Gau Economic Chambers, which are composed of the Regional divisions of the various Economic Groups. The Armament Commissioner is responsible for the prompt execution of the directions of Main Committees and Rings, by the regional sections of the Economic Groups which act in so far as their agents.

4. The Army District Deputy is the executive officer of the Armament Bureau of the Speer Ministry with respect to problems of engineering. He acts in behalf of that Bureau in all questions related to armament contracts. He cooperates with the branch of the National Association of Engineers and Technicians in his district.

5. The President of the Gau Economic Chamber is subjected to the orders of the Armament Commissioner in all questions related to war production. 1/

6. The President of the Gau Employment Office has to comply with the demands of Armament Inspections and Armament Commands in all questions related to labor supply. 2/

7. The President of the Regional Economic Office is subject to the control of the chairman of the Armament Board in all questions of war production. 3/

8. The jurisdiction of the Gau Economic Consultant of the National Socialist Party is restricted, as was pointed out in the Volkische Beobachter of January 22, 1944, to questions of personnel policy. His duty is to check the political reliability of all persons engaged in the economic administration and the "self-administrative" institutions. He is not, however, supposed to interfere with the activities of the various government and self-administrative agencies. A strong tendency toward appointing the Gau Economic Consultants as

1/ Speer's decree of October 29, 1943, Part IV, 2. The functions of the Gau Economic Chambers are discussed in detail in EIS-11, Germany: Ministry of Economics.

2/ Speer's decree of October 29, 1943, Part IV, 3 g. Details on the Gau Employment Offices are discussed in EIS-37, Germany: Ministry of Labor.

3/ Speer's decree of October 29, 1943, sub IV, 2. For further information on the Regional Economic Offices, see EIS-11, Germany: Ministry of Economics.

chairmen of the respective Gau Economic Chambers 1/ was frustrated by big business. 2/ There is some evidence, however, that several Gau Economic Consultants have recently been appointed business managers of Gau Economic Chambers.

9. In the field of building, the Regional Einsatzleiter has recently replaced the Building Delegate, mentioned in the decree of October 29, 1943. The functions of the Regional Building Commissioner are discussed in the section on the Building Bureau of the Speer Ministry in the present report.

10. The functions of the Regional Power Allocation Officer are discussed in the section on the Power Supply Bureau of the Speer Ministry in the present report.

11. The functions of the District Labor Allocation Engineer will be dealt with in the concluding section of this report.

The jurisdiction of the Armament Boards is described in the decree of October 29, 1943, in rather vague terms. The Armament Boards have to deal with such problems as the concentration of all war production tasks, the elimination of duplication, the exchange of experiences among the individual firms in accordance with the directives laid down by Main Committees, Rings, and Production Committees, and questions of labor allocation.

A Central Technical Commission has been attached to each Regional Armament Board, and entrusted with the task of combing all factories in their respective district for machines which are not urgently needed. 3/ In addition, the Commission controls the stocks of machinery of factories that are closed or not fully employed. A Machine Mart (Machinenausgleich), attached to the Commission, allocates these machines to the various enterprises which are in need of them. 4/

The activities of the Central Technical Commissions of the Armament Boards have recently been supplemented by those of agencies on the central level. In cases where a Regional Armament Board is unable to provide an applicant with a machine which he urgently needs, the factory concerned can apply to the Machine Mart of the Technisches Amt of the Speer Ministry. If the application is for a machine of an exceptional type, the Rüstungskontor G.m.b.H. has jurisdiction to handle the case. According to deutsche Allgemeine Zeitung, November

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- 1/ See Deutsche Volkswirtschaft 1942, p. 428.
  - 2/ Economic Journal, 1943, p. 122.
  - 3/ News Digest No. 1611, November 22, 1944.
  - 4/ News Digest No. 1603, November 15, 1944.



17, 1944, a certain tendency toward centralization is noticeable in this field. This may help to explain the fact that Main Committees, Rings, and Production Main Committees collaborate with the agencies which have jurisdiction in the field of machine exchange. 1/

Armament Inspections and Armament Commands (Rüstungsdienststellen)

The members of the regional Armament Boards -- with the exception of the Armament Inspectors -- exercise advisory functions and executive functions only in special fields. The Armament Inspectors exercise an overall jurisdiction in the field of war economic administration on the regional level. Their authority is not restricted to civilian economic administration; they also serve as the Economy Inspectors of the Armed Forces. The Armament Inspectors preside over agencies of their own, the Armament Inspections (Rüstungsinspektionen). The Armament Inspections may be compared to the Speer Ministry, inasmuch as they can claim a certain precedence over the regional agencies of such Ministries as Economics, Food and Agriculture, and Labor. 2/ The Armament Inspectors act as intermediaries (Mittelinstanz) between the Speer Ministry and the individual enterprises, in case the "self-administrative" agencies fail to bring about a satisfactory solution of certain problems. 3/

Of the 22 Armament Inspections mentioned above, 13 are situated in Germany proper, and the remainder in Austria and the annexed territories in the East and West. A list of the 13 Armament Inspections in the territory which formed Germany in 1937 can be found in Appendix 5. Each Armament Inspection corresponds to an Army District (Wehrkreis). Almost all Armament Inspections are divided into two or more Armament Commands. There were 43 Armament Commands in the boundaries of Germany of 1937. A list of those Armament Commands is added in Appendix 5.

A detailed description of the functions of the Armament Inspections is laid down in Part IV, 3 b of Speer's decree of October 29, 1943. It is worthy of mention that the jurisdiction of the Armament Inspections is not restricted to industries controlled by the Technical Bureau of the Speer Ministry (i.e., to the armament industry proper), but has been extended to all industries of importance for armament. It is probably safe to say that at present the Armament Inspections supervise the whole German industry on the

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1/ A very interesting analysis of Machinenausgleich was published recently in the Deutsche Volkswirtschaft, 1944, p. 899.

2/ See Singer: Economic Journal, 1943, p. 244.

3/ See Nonnenbruch's article in Völkischer Beobachter of August 21, 1944, on "Speer's Men".



regional level. The Armament Inspections are a sort of clearing house for machines, labor, coal, power, etc. In close collaboration with the Army District Deputies, the Armament Inspectors, as agents of the Armament Boards of the Speer Ministry, supervise the execution of the contracts which the individual firms have to fulfil for the Armed Forces. Among their most difficult tasks is the adaptation of the production plans to changed conditions, a function which has probably become of overwhelming importance during the last two years. They are responsible for the transfer of contracts from one firm to another, as well as for the moving of plants. Special groups have been established to cooperate with the Armament Inspectors in the transfer of certain kinds of work from factories to the home. Speer has entrusted the Armament Inspectors with the carrying out of a program designed to encourage home work. <sup>1/</sup> Another important function of the Armament Inspectors is the encouragement and enforcement of the inter-firm transfer of raw materials and machines.

In the field of production of machine tools, the Armament Inspections and their subdivisions perform the functions of Rings, in all cases where the individual factory produces machinery which is controlled by the various Rings. They serve as substitutes for Rings where no self-administrative institutions exist. <sup>2/</sup> Thus the principle that each factory should have to deal exclusively with one public agency has been applied to the extraordinary case where a factory does not fit into the general scheme of economic self-administration. No evidence is available that the same principle has been applied to other spheres of production. It should be emphasized, however, that the rule laid down in Section 5 of the decree of June 16, 1944 corresponds to the general tendency to supplement the work of the "self-administrative agencies" by the activities of the Armament Inspections, which were once described correctly as the "bureaucratic pillars of the Speer Ministry." <sup>3/</sup>

#### Speer Representatives in the Plants

The Labor Allocation Engineers are the chief representatives of the Speer Ministry in the individual plants. Although private employees, they are endowed with public authority. As the Frankfurter Zeitung said on July 1, 1942:

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- <sup>1/</sup> See Deutsche Allgemeine Zeitung, August 27, 1944.
  - <sup>2/</sup> See Section 5 of the Decree of June 16, 1944, Reichsanzeiger, July 3, 1944.
  - <sup>3/</sup> See Office of Strategic Services, R&A No. 1194, Speer's Appointment as Dictator of the German Economy, p. 7.

"We should free ourselves from the idea that a person who acts in an official capacity and exercises sovereign rights must necessarily belong to the administration and be subject to the Budget Commission."

By virtue of a decree of Speer of June 26, 1943, 1/ Labor Allocation Engineers have been appointed in all factories with more than 300 workers. The owner of the plant has the right to suggest the appointment of one of his employees as Labor Allocation Engineer; the Speer Ministry, however, is not bound to follow his suggestion. Once appointed, the Labor Allocation Engineer exercises to a considerable extent the functions of an entrepreneur. His decisions are binding, regardless of whether or not they have been approved by the owner of the factory. Deutsche Allgemeine Zeitung characterized the relationship between labor allocation engineer and entrepreneur as one of "tutelage". 2/

The Labor Allocation Engineers are responsible for the carrying out of the efficiency program set forth by Main Committees, Rings, and Production Committees. When putting into effect the decisions of these self-administrative institutions, they are exclusively subject to the directives of the chairmen of these institutions. In addition, the Labor Allocation Engineers have to cooperate with the Regional Armament Inspectors in all questions related to the exchange of experience among the various enterprises of one or several branches of business. The District Labor Allocation Engineers are supposed to encourage the formation of special working groups of the Labor Allocation Engineers in their districts, with a view to promoting the exchange of information among them. 3/ The Labor Allocation Engineers have an overall jurisdiction in their enterprises, to strengthen the efficient use of manpower and to promote measures for the avoidance of waste of raw materials and power. 4/ They have also extensive authority in respect to all labor questions. It is their duty to decide whether additional labor is required, whether workers should be transferred from one department of the enterprise to another, or even to another enterprise, whether a section of the factory shall be closed, and the like.

According to the Hamburger Fremdenblatt of September 27, 1944,

- 1/ The text of the decree can be found in Berliner Beersen-Zeitung, December 25, 1943.
- 2/ October 25, 1943.
- 3/ Völkischer Beobachter, September 27, 1943.
- 4/ For an analysis of the activities of Labor Allocation Engineers, see Deutsche Volkswirtschaft, 1943, p. 923.

more than 10,000 Labor Allocation Engineers are at present employed in Germany.

Labor Allocation Engineers have been appointed recently, who are not attached to an individual enterprise. According to Deutsche Volkswirtschaft, 1/ certain Labor Allocation Engineers have the function of controlling all factories of a special kind within their respective districts. Others are authorized to control individual enterprises all over the country, in case need for additional control should arise. Finally, all District Labor Allocation Engineers have been ordered to appoint special representatives to the District Groups for War Home Work. These representatives act as Labor Allocation Engineers with regard to the home work in their respective districts.2/

Mention should be made, at this point, of the Factory Commissioners for Tools (Werkzeugbeauftragte). The Speer Ministry has appointed, in large factories, employees who are responsible for the economical use of all tools in the plants involved; these engineers have jurisdiction to supervise and direct the work of all workers and employees who are concerned with the production, distribution, and care of such tools. In their limited field, the Commissioners for Tools have been given dictatorial powers within the factories. 3/

Finally, special Power Engineers (Energie-Ingenieure) are appointed in all larger enterprises. 4/ These engineers, who are supervised by the Central Office of the Speer Ministry, are charged with the task of controlling the consumption of water, gas, electricity, coal, etc., in one or several enterprises. Like the Labor Allocation Engineers, they are entrusted with public authority, although they are not public officials. They derive their authority from a decree of Speer, of June 1942.

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1/ 1944, p. 775

2/ News Digest No. 1614, November 25, 1944, p. 9.

3/ On Factory Commissioners for Tools, see Deutsche Volkswirtschaft, 1943, p. 700.

4/ Vierjahresplan, 1943, p. 278.

# APPENDIX 1

## Speer's Decree Concerning "The Distribution of Functions in the War Economy" of October 29, 1943

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V. Final Remarks

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APPENDED: Speer's Decree of September 16, 1943, concerning  
the Functions of the Planning Office

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The Reich Minister  
for Armament and War Production  
and Deputy General for  
Armament Tasks within the Four Year Plan  
AZ/Org 9000/2-174

For Internal use only!

DECREEE (Erlass)

concerning the Distribution of Functions in the War Economy, of  
October 29, 1943.

The increasing economic demands of the war make it necessary to concentrate and unify the planning and steering of consumption and production. On the basis of section 7 of the Decree concerning the Concentration of War Economy of September 2, 1943, in conjunction with the Decree of the Reich Marshal of the Greater German Reich and Delegate for the Four Year Plan, concerning Central Planning, of April 22, 1942 (V.P. 6707), supplemented by Decree of September 4, 1943 (V.P. 1129/1), the Führer has made it possible for me to conduct uniformly the entire war production. According to the first mentioned Decree, I have, in my capacity of Reich Minister for Armament and War Production, jurisdiction and responsibility for supervising (Betreuung), directing (Lenkung) and enforcing (Durchführung) industrial war production.

The sole aim of all measures to be taken must be an additional increase of armament (Rüstung). The concentration of the war economy results also in a simplification of the method of command (Befehlsgebung). In this respect I intend to make considerable use of existing and proven organizations; to avoid the establishment of new agencies; to eliminate, on the merits of each individual case, such overlapping of jurisdiction as will not be removed by the present decree; and not to commit myself, as a matter of principle, by issuing basic systematic decrees which might be justified theoretically but which would, on account of their rigid formulation, endanger the solution of the manifold problems of total war economy.

Accordingly, in my capacity of Minister for Armament and War Production as well as Deputy General for Armament Tasks in the Four Year Plan Administration, I decree, with binding effect on all agencies entrusted with economic war functions, as follows:

I. The Distribution of Functions within the Reich Ministry for  
Armament and War Production

The enlargement of the jurisdiction of the Ministry makes it necessary partly to modify the existing organization and partly to create new units within the Ministry.

In future the functions of the Ministry will be divided into three main groups, as follows:

1. functions of coordination,
2. functions of production, and
3. functions which cut across all branches of production (Querschnittsaufgaben).

1. The functions of coordination shall be exercised by the Central Office (Zentralamt) headed by Chief Mayor Liebel.

The Central Office shall coordinate the Bureaus (Aemter) of the Ministry as well as the regional agencies in all questions concerning political orientation, organization and administration, law (including administrative penalties/Ordnungsstrafrecht), personnel (not including members of the armed forces), awards and honors.

The Central Office is in charge of liaison with other supreme Reich authorities and the supreme Party agencies. In addition, it deals with all overall problems of railroad and highway transportation as well as inland shipping.

2. Functions of production. The entire sphere of production is divided into six main production spheres, each of which corresponds to a Bureau.

The Bureaus are the commanding agencies for the subordinate agencies of economic self-administration (see below, II) as far as the steering and safeguarding of the respective branches of production which they control are concerned. They exercise administrative supervision over the activities of the self-administrative agencies subordinated to them; they see to it that these agencies carry out efficiently the tasks delegated to them; and, if necessary, represent these self-administrative agencies vis-a-vis other Bureaus in all matters concerning factors of production such as manpower, transportation and power supply.

Accordingly the functions of the Ministry are distributed as follows:

a. The Raw Materials Bureau (Rohstoffamt), headed by President Kehrl, has jurisdiction over:

the industries producing raw materials, and basic materials exclusive of iron production  
coal  
mining in general

production of metals and metal alloys  
timber  
production of cellulose and paper  
textile raw materials  
chemical industry  
mineral oil  
rubber  
industrial fats.

The following are attached to the Raw Materials Bureau:

Reichsvereinigung Coal  
Ring Metals  
Ring Timber  
Economic Group Cellulose, Paper and Cardboard  
Reichsvereinigung Chemical Fibers  
Reichsvereinigung Bast Fibers  
Arbeitsgemeinschaft Wool  
Economic Group Chemicals  
Economic Group Motor Fuel Industry (Kraftstoffindustrie)

b. The Armament Supply Bureau (Rüstungslieferungsamt),  
headed by Staatsrat Dr. Schieber, has jurisdiction over:

production of iron  
products of rolling mills  
iron and metal casting  
forgings (Schmiedestücke)  
refining of basic material (Werkstoffverfeinerung)  
machine parts (Maschinenelemente)  
technical gases and welding technique (Technische Gase  
und Schweisstechnik)  
technical glass and ceramics  
stone and earths  
plastics (Kunst-und Presstoffe)  
powder, explosives and K material and their ingredients  
(Vorprodukte) as defined by special decree  
electrical industry  
precision instruments and optical industry  
steel and iron construction (with the exception of  
railroad car construction and building proper)  
armament implements and equipment (Rüstungsgerät)  
iron, sheet metal, and metal goods  
chains  
machine construction, including supply of mineral  
oil and generators.



The following are attached to the Armament Supply Bureau:

Reichsvereinigung Iron  
Ring Iron Production  
Ring Products of Rolling Mills and Armament Trade  
Ring Iron and Metal Casting  
Ring Forgings  
Ring Refining of Basic Materials  
Ring Machine Parts  
Ring Welding and Cutting Technique  
Ring Plastics  
Ring Stone and Earths  
Ring Technical Glass and Ceramics  
Main Committee Powder, Explosives, and K Material and  
their ingredients as defined by special list  
Main Committee Steel and Iron Construction  
Main Committee Precision Instruments and Optical Goods  
Main Committee Iron, Sheet Metal and Metal Goods  
Main Committee Electrical Industry  
Main Committee Machine Construction  
Main Committee Armament Implements and Equipment

The Armament Supply Bureau has the exclusive responsibility for procuring the supplies of materials and goods needed by the air armament program as checked and approved by me.

c. The Production Bureau for Consumption Goods (Produktionsemt für Verbrauchsgüter), headed by Dipl. Ing. Seehauer, has jurisdiction over:

textiles (exclusive of textile raw materials)  
clothing and equipment  
leather  
shoes  
paper products  
wood products  
printing  
glass (excluding technical glass)  
ceramics (excluding technical ceramics)  
tobacco products.

The following are assigned to the Production Bureau:

Economic Group Textile Industry  
Economic Group Clothing  
Economic Group Leather Industry  
Gemeinschaft Shoes  
Economic Group Wood Products  
Economic Group Paper Products  
Economic Group Printing

Economic Group Glass  
Economic Group Ceramics  
Trade Group Tobacco Industry

d. Technical Bureau for Armament End Products (Technisches Amt für Rüstungsendfertigung), headed by Hauptdienstleiter Sauer, has jurisdiction over:

weapons  
ammunition  
armor  
motor vehicles  
rail vehicles  
ship building  
torpedoes.

The following are attached to the Technical Bureau:

Main Committee Weapons  
Main Committee Munitions  
Main Committee Armored Vehicles  
Main Committee Motor Vehicles  
Main Committee Rail Vehicles  
Main Committee Shipbuilding .

The responsibility for armament end products for the air force remains with the Generalluftzeugmeister within the Reich Air Ministry, who will be substantially supported by the Technical Bureau in the performance of his tasks.

e. The Building Bureau (Amt Bau), headed by Stobbs-Dethleffsen, has jurisdiction over:

the tasks of the Deputy General for Building (GB-Bau)  
administration of buildings for the air-force, and  
construction of air-raid shelters (exclusive of  
occupied territories)  
chairmanship of, and representation of the Ministry  
in, public building committees and committees for  
building standards.

The following are attached to the Building Bureau:

Main Committee Building (the functions of the Main  
Committee Building as defined according to decree  
of July 26, 1943, G.B. 129/43 A remain unchanged)  
Economic Group Building Industry  
Reich Commissioner for Wood Construction.

f. The Power Bureau (Amt Energie), headed by Under Secretary Schulze-Fielitz, has jurisdiction over:

the entire direction and control of the power industry, electricity and gas.

The following are members of the Power Bureau:

the Reichslastverteiler for Electricity (Reichsstelle Electricity)  
the Reichslastverteiler for Gas  
the Special Deputy for the Saving of Power (Sonderbeauftragter für Energieeinsparung).

The following are attached to the Power Bureau:

Reich Group Power Economy  
Economic Group Electricity Supply  
Economic Group Gas and Water Supply.

In addition, the respective Reich Guild Associations of Crafts as well as the respective private enterprises and public-owned enterprises (Regiebetriebe) are attached to the Bureaus listed above, a to f.

### 3. Functions which cut across all branches of production.

Besides the control along vertical lines over the production spheres subordinated to the six Production Bureaus of the Ministry, there exist, due to the intricacies of economic life, a number of problems which require specialized knowledge and which, therefore, are handled for all Bureaus in Special Bureaus charged with functions which cut across all branches of production (Querschnittaufgaben).

The urgent necessity of dealing uniformly with these problems in all spheres of production and vis-a-vis third agencies requires that these problems are entrusted to specially designed Bureaus with jurisdiction for the Ministry as a whole. In performing their tasks the special Bureaus are responsible to me for uniform handling and checking with all agencies in their respective sphere, in particular so far as they delegate individual functions assigned to them to other agencies.

The Special Bureaus have the following functions:

a. The Planning Bureau (Planungsamt) of the General Commissioner for Armament Tasks, headed by President Kehrl has, within the sphere of the Ministry, to discharge the functions defined in the

decree of September 16, 1943, ZA Org. 9000/2 - 143, sub III (see Appendix).

b. The Armament Bureau (Rüstungsamt), headed by General-leutnant Dr. Ing. e. h. Waeger:

to secure the preparedness of enterprises in armament and war industries with respect to personnel and materials, particularly in the fields of

- manpower
- labor conditions
- supply of power and motor fuel
- protection of industries against espionage and sabotage  
(Industrieschutz-Abwehrfragen)
- shifting of enterprises and orders
- questions of transportation and communication
- measures under the Reichsleistungsgesetz (law concerning requisitions of property and services)
- Betriebs-und Auftragsbetreuung through the subordinate agencies of the Ministry
- direction of the subordinate agencies of the Ministry
- collaboration in the utilization of armament potential of non-German territories
- examination and submission of the foreign-exchange requirements of the several branches of the Armed Forces and affiliated claimants; control of foreign-exchange expenditures
- mechanical recording system in collaboration with the Central Recording Division (Zentralabteilung Berichtswesen).

c. The Technical Bureau (Das Technische Amt), headed by Hauptdienstleiter Sauer:

- increase of technical efficiency in the production of all production and armament goods
- development of technical processes
- examination and handling of proposals for inventions and improvements
- patents
- special actions (Sonderaktionen)
- direction of the Army District Deputies
- direction of the commissions for the development of new processes
- technical execution of changes in basic materials used in manufacturing processes.



d. The Armament Supply Bureau (Rüstungslieferungsamt),  
headed by Staatsrat Dr. Schieber:

planning, exchange and control of means of production  
steering of contracts for iron and steel  
basic problems concerning the utilization of handicraft  
for armament production  
promotion of industrial self-responsibility  
direction of the Armament Chairmen (Rüstungsobmänner)  
supervision and guidance of the Power Engineers.

e. Generalreferat for Economics and Finances (General-  
referat Wirtschaft un Finanzen), headed by Professor Hettlage:

general economic questions  
representation of the Ministry in questions of foreign  
trade  
matters of foreign exchange  
questions of business administration (costs and  
accounting)  
questions of taxation, including restrictions of profits  
price formation and price control  
compensations and indemnities  
financing of enterprises  
budget  
special questions of economic legislation  
special procurements 1/  
supervision of the following firms controlled by the  
Ministry:

Rüstungskontor  
Roges (Rohstoffhandels-gesellschaft m.b.H.  
Erdöl-anlage G.m.b.H.  
Betriebsmittel G.m.b.H.  
Verwertungsgesellschaft für Montanindustrie m.b.H.  
Energiebau- Ost G.m.b.H.  
Generatorkraft A.G.

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- 1/ To the extent that these functions belong to the jurisdiction of  
the Reich Minister of Economics as defined by the decree of the  
Führer of September 2, 1943, they shall be performed in close  
collaboration with that Minister in accordance with principles to  
be laid down jointly by the two Ministers.

f. Central Division for Kultur (Zentralabteilung Kultur),  
headed by Director Hoffmann:

    censorship of technical publications concerning weapons  
    and technical censorship of all publications which  
    affect the sphere of Reich Minister Speer  
    propaganda (propaganda drives, armament propaganda)  
    film, radio, lectures and exhibitions  
    press relations, central library, picture archive,  
    archive, information services  
    matters of protocol, meetings and conventions  
    contracts with architects and related professions  
    cultural guidance of labor  
    documentation of technical developments.

II. The Tasks of the Main Committees and Rings, the Economic Groups  
and Trade Groups

As a supplement and partial amendment to my decree concerning the jurisdiction and the internal organization and rules of procedure of the agencies of self-administration (Committees and Rings) in the armament industry of April 20, 1942, I herewith order as follows:

1. Committees and Rings as well as those Economic and Trade Groups designated by me by special decree are hereby vested with the powers under the Warenverkehrsordnung (see below II, 5) and henceforth are fully and exclusively responsible for planning the production assignments 1/ to be given to individual plants and for carrying out the production plans.

2. In the field of armament production proper and its auxiliary industries I shall make exclusive use of the Committees and Rings in their capacity as self-administrative agencies for the steering of production. Wherever there exist Economic Groups in the respective fields of production, the Committees and Rings are authorized to give direct orders to these Groups with regard to all questions of production planning and steering and the increase of technical efficiency. They are likewise authorized with regard to the Reich Guild Associations (Reichsinnungsverbände) which belong to their respective sphere of production.

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1/ Translator's footnote: The term used is "Belegung der Erzeugung". This is one of the new terms of Nazi economy and obviously means the allocation to the individual firms or plants of their share in the production schedule of a planned economy.

3. In the field of implements in general and equipment (allgemeines Gerät und Ausrüstung) as well as the branches of production taken over from the Reich Ministry of Economics, the functions and authorities of my Committees and Rings will in general be taken over by the Economic Groups and Trade Groups (or Bewirtschaftungsstellen in case an agency other than an Economic Group or Trade Group has been designated as Bewirtschaftungsstelle for the particular commodity). To that extent they will become my agencies for regulating the production in their respective field. The Economic Groups and Trade Groups shall form Production Committees (Produktionausschüsse), within which a technical bureau will be established. These Production Committees are at the same time the field offices of my Bureaus which are in charge of the respective production.

4. I reserve the right to transfer part of the production functions and authorities from the Economic Groups or Trade Groups to my Committees and Rings, provided that I do not establish new Committees and Rings for products which are of special importance.

5. By virtue of the Warenverkehrsordnung I herewith transfer to the Main Committees and Rings functioning under my control, and to those Economic Groups and Trade Groups which will be specially designated, the right to issue orders prohibiting production in a defined field and prohibiting the establishment of new production facilities (Herstellungs- und Errichtungsverbote), orders concerning standardization as well as production assignments to individual plants (Betriebsbelegungen) and concrete production orders (Herstellungsanweisungen). The Main Committee and Rings may delegate these functions only to their Special Committees (Sonderausschüsse) and Special Rings (Sonderringe), respectively.

6. Production shall be carried out on the basis of the programs for armament and war production established by me on the proposal of the Bureaus in charge of the respective branches of production. It is the duty of the Committees and Rings, Economic Groups and Trade Groups (or Bewirtschaftungsstellen, as the case may be) to make careful plans for the necessary supplies or auxiliary materials. The sole responsibility for the prompt, proper and efficient manufacturing of these auxiliary materials rests with the Ring and Committee having jurisdiction over the particular field of production, under the overall direction of the Armament Supply Bureau.

7. The individual enterprises receive contracts from the claimants on the exclusive basis of distribution schedules of the Committees and Rings having jurisdiction or, as the case may be, of the Groups to which I have delegated these functions.

8. No uniform pattern shall be laid down for shifting the work of Main Committees and Rings to Special Committees and Special Rings.

As a matter of principle, Working Committees (Arbeitsausschüsse) and Working Rings (Arbeitsringe) are declared to be mere instrumentalities of the Special Committees or Special Rings. In order to secure uniform procedures and to make the lines of authority clear to the individual enterprises, all directives (Anordnungen) which originate in the Arbeitsausschüsse and Arbeitsringe shall, as a matter of principle, be issued solely by the Special Committees and Special Rings. The Arbeitsausschüsse and Arbeitsringe being instrumentalities of the Special Committees and Special Rings may themselves transmit directives and questionnaires to individual enterprises only in cases where technical details have to be clarified or carried out.

9. To the extent that Economic Groups and Trade Groups exist in the field over which Main Committees or Rings have jurisdiction, the Main Committees or Rings shall for practical reasons utilize the machinery of the Groups for allocating raw materials and auxiliary materials as well as for ascertaining the requirements of coal, power and motor fuel. Where Main Committees and Rings intend to exercise themselves these functions, they require an explicit permission by me.

10. Accordingly I shall relieve the Reichsstellen and other steering agencies having the same authority of the responsibility which they have held heretofore for the carrying out of the production plans. I shall likewise relieve them of the control, heretofore exercised by them, over the Bewirtschaftungsstellen with respect to the planning of the allocation of production and production itself, to the extent that, after the reorganization has been completed, Committees and Rings, Economic Groups and Trade Groups will be responsible for steering the planning of production and production itself. The rights of the Reichsstellen will to that extent be transferred to the Main Committees and Rings, or, as the case may be, to the Economic Groups and Trade Groups. As soon as the necessary organizational arrangements have been made for transferring these functions to the organizations designated, I shall issue, in special decrees, the necessary directives for each branch of production and thereby relieve the Reichsstellen of their activities concerning the steering of production.

11. To the extent that I entrust Main Committees and Rings and Economic Groups with the steering of production, they shall, as my executive agencies, have the duty to achieve within their respective industry the objectives set up by me with the greatest efficiency and economy possible.

12. In general, the Main Committees and Rings and the production Committees in the Economic Groups and Trade Groups shall exercise the following functions:



(a) Functions which concern prerequisites of manufacturing:

- (1) ascertaining and claiming allocation rights
- (2) administering and distributing allocation rights
- (3) examining the use made of allocation rights

(b) Functions which concern the products themselves:

- (1) standardization of types
- (2) proposals for uniform standards
- (3) standardization of single parts used in the manufacturing of various products
- (4) use of standardized parts
- (5) technical improvement of the product
- (6) manufacturing processes
- (7) saving of raw materials (ascertaining and reducing the quantities of raw materials used)
- (8) substitute raw materials
- (9) change-over to the use of less scarce materials and non-scarce materials
- (10) grading
- (11) freezing of production of certain commodities
- (12) regulations concerning quality and control of quality

(c) Functions which concern the manufacturing process in general:

- (1) manufacturing processes
- (2) promotion of manufacturing processes like die-casting (spanlose Verformung), drop-forging and similar processes
- (3) efficiency testing
- (4) exchange of experience
- (5) ascertaining the most efficient process of manufacturing
- (6) development of new working processes
- (7) supervision of tools, gauges, and installations
- (8) utilization of suggestions submitted by employees and workers

(d) Functions which concern the plant:

- (1) limitation of programs of type standardization
- (2) drafting and production program of individual plants
- (3) concentration of production
- (4) reduction and enlargement of capacity
- (5) assignment of production tasks to selected plants
- (6) removal of bomb damage
- (7) shifting of production
- (8) supervision of manufacturing
- (9) ascertaining and claiming of manpower, and shifting of manpower within the plants
- (10) requests for exchange and utilization of machinery

- (11) saving of power in every form
- (12) collaboration in the planning and simplification of transportation.

13. The Economic Groups and Trade Groups have two main spheres of jurisdiction:

- (a) Auxiliary functions in relation to the functions of the Committees and Rings, provided that the Economic Group or Trade Group has not been entrusted with functions of the Committees and Rings in accordance with 11/3. These auxiliary functions are carried out by them in accordance with the directives given by the Committees and Rings. In this respect the Economic Groups and Trade Groups may not act on their own initiative. Such auxiliary functions may be:
  - (1) execution of the production assignments by issuing production orders
  - (2) allocation of raw materials and auxiliary materials for purposes of (1)
  - (3) administration of the maintenance and renewal quotas
  - (4) handling of manpower claims
  - (5) production statistics
  - (6) collaboration in the calculation of required quotas.
- (b) General economic functions which the Trade Groups and Economic Groups have to perform in their capacity as agencies of economic self-administration and as agencies to which the Reich Minister of Economics and other supreme Reich authorities have delegated certain functions.

According to the decree issued by the Reich Minister of Economics in agreement with me the following matters belong to these categories:

- (1) foreign trade
- (2) prices and cartel supervision
- (3) plant statistics
- (4) conditions of delivery and payment
- (5) vocational training
- (6) matters of business management and calculation, development and application of cost-account plans and directives for calculating costs
- (7) social questions
- (8) Gemeinschaftshilfe (Mutual Industrial Aid)
- (9) air-raid protection of plants
- (10) questions of taxation

- (11) Industrierverschleppungen 1/
- (12) patents and trademarks
- (13) rendering of legal and economic expert opinions
- (14) advice and guidance to members in general economic questions.

14. The development up to the present has led to a state of affairs where Economic Groups, Committees and Rings frequently have duplicated their activities in a manner which should have been avoided. It is the purpose of this decree to eliminate such duplication in future. In accordance with II, 9, the functions assigned to the Economic Groups and Trade Groups (No. 13 (a) above) shall as far as possible be carried out by the Economic Groups and Trade Groups.

15. Likewise in the sphere of economic self-administration, there is need for a uniform handling of questions which are of importance to industry in general and to those specialized questions which go beyond the interests of an individual branch of industry and which arise within the jurisdiction of the Economic Groups, Reich Associations (Reichsvereinigungen), Rings and Committees. This task rests with the Reich Group Industry.

### III: The Future Functions of the Reichsstellen

The future functions of the Reichsstellen as well as their future relations to the Reich Minister for Armament and War Production, the Main Committees and Rings and the Economic Groups and Trade Groups have been defined by a decree issued jointly by the Reich Minister of Economics and the Reich Minister for Armament and War Production on October 29, 1943, as follows:

"In accordance with Section 7 of the decree of the Führer concerning the Concentration of War Economy of September 2, 1943 (RGBl. I, p. 259 ff), the future functions of the Reichsstellen are herewith defined as follows:

#### A

1. According to part 3 of the decree of the Deputy General for Armament Tasks in the Four Year Plan Administration and Reich Minister for Armament and War Production, concerning the Functions of the Planning Office, of September 16, 1943, the Reichsstellen draft the decisions concerning the manner and the quantity of production as well as the amount to which the demand shall be satisfied. Thus they are within their sphere, in the same way as the various branches of the Armed Forces are in the field of armament proper, the trustees for fulfilling the total demands of the war economy.

- 1/ Translator's note: Literally: forcible transfer of industries, in a highly derogatory sense. It is not known to what functions the term refers here. That the Nazis would characterize the transfer of plants and industries from occupied territories to Germany as "verschleppung," seems improbable.

2. In accordance with section 3 of the Decree of the Führer concerning the Concentration of War Economy of September 2, 1943, the Reich Minister of Economics entrusts the Reichsstellen with the responsibility for supplying the civilian population with consumer goods and for regulating the distribution of these goods, for imports, and for the supervision of exports.

B

In order to implement the principles established above sub A, the following rules are herewith established:

1. The claims of the Reich Minister of Economics for general civilian consumption and for exportation shall be brought forward by the Reichsstellen.

2. In the field of consumers' goods, the claims to be satisfied shall be ascertained and established by the Reichsstellen to the extent that the Armed Forces do not claim any or only a small portion of the production for their own needs. The Reichsstellen shall bring the claims into accordance with the corresponding raw materials available.

3. As far as products are concerned which are needed by the Armed Forces as well as the civilian population and other major claimants, the Reichsstellen shall coordinate the various claims with the aid of the Planning Office of the Deputy General for Armament Tasks. In case of differences of opinion, the Central Planning Office 1/ shall decide.

4. The Reich Minister for Armament and War Production on the basis of the claims put forward by the Reichsstellen, ascertains to what extent these claims can be reconciled with war production in general. He decides what production of concrete commodities is possible within the framework of war production, and reserves the right to order such changes in production as may be necessitated by the war situation.

In all cases where he cuts down production requested for the needs which are taken care of by the Reich Minister of Economics, the Minister for Armament and War Production shall inform the Minister of Economics, so that the latter may, if he sees fit, appeal to the Central Planning Office within the Four Year Plan Administration.

5. In cases where Reichsstellen exist side by side with Main Committees and Rings in the field of armament production and the

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1/ Translator's note: i.e., the Amt Zentrale Planung within the Four Year Plan Administration.



production of auxiliary material (electrical industry, precision and optical machine construction), the Reichsstellen do not take part in the drafting of the overall planning of requirements but merely exercise those functions which are specially assigned to them by the Armament Supply Bureau. (In addition, they exercise the functions defined sub 6 and 7, below.) In these cases, the claims and the delivery are handled directly by the claimants on the one hand, and the Main Committees in charge of the armament end products on the other hand, or, as the case may be, by those in charge of armament end products on the one hand, and those in charge of auxiliary material on the other hand. The same applies to those Economic Groups for auxiliary products, under the control of the Reichsstelle Technical Products and the Reichsstelle Iron and Metals, which will be designated by the Reich Minister for Armament and War Production.

6. The Reichsstellen, in accordance with the directives of the Planning Office, allocate, in the form of total quotas (Globalkontingente) the raw materials, auxiliary materials, fuel, etc., necessary for carrying out the production programs approved by the Reich Minister for Armament and War Production, to the Main Committees, to the Rings, to the Groups authorized by the Reich Minister for Armament and War Production (or Bewirtschaftungsstellen, as the case may be) and to other claimants or agencies.

The Reichsstellen determine the methods of production control and issue the pertinent legal regulations.

7. The Reichsstellen regulate the distribution of commodities and issue the necessary regulations.

### C

1. Where questions of production steering hitherto belonged to the jurisdiction of Reichsstellen, this jurisdiction will be transferred by special decree of the Reich Minister for Armament and War Production to the subordinate agencies.

2. The Reichsstellen collaborate in matters of production with the respective Bureaus of the Reich Ministry for Armament and War Production, provided that these Bureaus do not decide to establish direct contact with the agencies attached to them.

### D

1. The Reich Minister of Economics is in charge of supervision of the Reichsstellen in matters of organization and personnel (Dienstaufsicht).

2. In matters concerning the supply of consumers' goods for the civilian population, the Reichsstellen act under the orders of the Reich Minister of Economics.

3. The Reichsstellen handle importation under the orders of the Reich Minister of Economics and supervise exportation, which will continue to be handled by the Export Offices (Prüfungsstellen), according to the directives of the Reich Minister of Economics.

4. The remaining tasks will be carried out by the Reichsstellen under the directives and control of GB-Rüst (Planungsamt). 1/

(signed) Funk

(signed) Speer. "

Where Reichsstellen continue to exercise functions in the field of production, they receive their directives from the Bureau of the Reich Ministry for Armament and War Production which has jurisdiction over the respective product, and in all other matters from the Planning Office of the Ministry.

#### IV, The Functions of Agencies on the Regional Level (Mittelinstanz)

The concentration of all tasks of war production in the hands of the Reich Minister for Armament and War Production makes it necessary to coordinate his authority over the regional agencies with the authority of the Minister of Economics. Whether and in what form the agencies of both Ministries on the regional level may be consolidated in the future, will be decided at the proper time.

For the intermediary period, I herewith provide, in agreement with the Reich Minister of Economics, as follows:

1. In matters of war production the Reich Minister for Armament and War Production is authorized to give directives and orders to the Regional Economic Offices (Landeswirtschaftsämter) and the Gau Economic Chambers (Gauwirtschaftskammern).
2. For the time being, no changes will be made with regard to the Armament Boards (Rüstungskommissionen). In all matters of war production the Regional Economic Offices have to comply with the requests of the Chairmen of the Armament Boards. The Regional Economic Offices are under a duty to give to the Armament Boards all information requested..

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1/ Translator's note: i.e., the Planning Office of Speer.

The same powers are held by the Armament Chairmen (Rüstungsobmänner) and by the District Armament Chairmen (Bezirksobmänner) vis-a-vis the Gau Economic Chambers (i.e., the Industrial Sections of the Gau Economic Chambers).

3. The future functions of the members of the Armament Board are defined in the following list, which supersedes the distribution of functions as laid down in the First Executory Decree issued by me on October 10, 1942 under the Decree of the Reich Marshal of the Greater German Reich and Deputy for the Four Year Plan, of September 17, 1942.

- a. The Chairmen of the Armament Boards have the duty to steer and coordinate within their jurisdiction all agencies entrusted with functions of armament economy, and to give to the members of the Armament Boards such directives as are necessary for a frictionless maximum performance of armament and war production on the regional level.

They have to remedy existing shortcomings and to see to it that duplication of work in different agencies is avoided, that the same kind of work is handled, as a matter of principle, by one agency only, and that enterprises have to deal with one agency only. The personnel in charge of the same type of work in different agencies shall be centralized in one of these agencies under unified direction.

The Chairmen of the Armament Boards, through the Armament Inspectors, shall negotiate with the Draft Boards of the Armed Forces with a view to obtaining the manpower required for all enterprises engaged in important war production. They shall see to it that the enterprises -- including those to which armament production and civilian production are assigned simultaneously -- are supervised and guided, as a matter of principle, by one agency only. The shifting of enterprises from one supervisory agency to another is governed by my decree of September 11, 1943 RÜ A. Nr. 17130/43 RÜ II/2c.

The Chairmen of the Armament Board shall provide the armament industry with all pertinent information and remove difficulties which may arise with regard to the exchange of experience among individual enterprises.

- b. The Armament Inspections and Armament Commands (Rüstungsinspektionen und Rüstungskommandos) are my field agencies, which have intimate knowledge of all armament enterprises

within their district and the situation of these enterprises with regard to orders to be filled and manpower available. They supervise and guide (betreuen) the entire armament industry including the manufacturers of auxiliary materials and subcontractors, the powder and explosives industry as well as other enterprises essential for armament production. Supervision and guidance (Betreuung) include the right and duty to examine the needs of the enterprises as determined by the production tasks assigned to them, and to act as claimants, in accordance with the results of these examinations, vis-a-vis other agencies concerned with labor supply, transportation and communication, the supply of means of production (installations, machines, tools, appliances, gauges) and such matters as coal, power, liquid fuel, etc.

The Armament Inspections and Armament Commands (Rüstungsdienststellen) regulate the shifting of contracts as well as the shifting of enterprises and production, including enlargements of capacity and the supply of necessary housing for the employees and workers of the respective enterprises. They supervise the execution of all army contracts up to the moment of acceptance by the Armed Forces; in agreement with the Armament Chairmen or District Chairmen of the Committees and Rings they see to it that the priority scale or, as the case may be, the orders in which special priorities are laid down by me in given cases, are observed in armament production; in urgent cases they may render a preliminary decision. At the proposal of the Technical Commissions they handle the exchange of machine tools and wood-working machines for all industries within their district and supervise the supply of machines, gauges, tools and appliances to the armament industry. They supervise the supply of manpower and the proper use of rationed raw materials, coal, power, etc. in the enterprises under their jurisdiction.

The Armament Inspections and Armament Commands reconcile the manpower needs of the Armed Forces with those of industry, and examine the claims for exemptions from military service for war essential work in accordance with D 3/14.

They collaborate in the supervision of labor regulations in the enterprises under their jurisdiction.

They are in charge of the regional evaluation lists which contain war-essential enterprises requiring special protection, and are responsible for reporting attacks upon war industries, in particular air attacks.



They collaborate in carrying out industrial protection (air-raid protection organized by individual enterprises, military and police protection, general protection of enterprises, and fire protection within the enterprise) as well as in matters of defense against sabotage and espionage within the areas where war-essential enterprises are located.

They have jurisdiction to certify as indispensable employees of enterprises under their jurisdiction, with the exception of executives, in cases where an application is made for temporary or final release from arrest.

They submit proposals for the appointment of Wehrwirtschaftsführer within the sphere of armament and war production.

They collaborate closely with the Army District Delegates (Wehrkreisbeauftragte) and the Armament Chairmen or District Chairmen of the Committees and Rings.

- c. The Army District Delegate (Wehrkreisbeauftragte) is responsible, as my delegate, for the execution of the vital programs of the Technical Bureau on the regional level. He is also responsible for enforcing technical efficiency in the sphere of the Armament Inspections, in accordance with the order of the Führer A 6/42 of February 15, 1942. For carrying out his tasks he shall utilize the Gau Offices for Technology (Gauämter für Technik) together with the District Delegates (Bezirksbeauftragte) of the Committees and Rings, who are organized in the National Socialist Association of German Technicians (NSBDT). Within his sphere of jurisdiction he acts in close collaboration with the Armament Chairmen with a view to securing a smooth flow of armament production, and he assists the latter in the execution of the functions which have been assigned to the Committees and Rings by II of this decree. In given cases, I shall assign to him special tasks, which he shall perform in close collaboration with the Armament Inspections and Armament Commands and with the Regional Economic Offices, especially whenever such special tasks normally belong to the jurisdiction of these agencies. He is the superior of the Technical Commissions and of the Commissioners for Conversion (Umstellbeauftragte).
- d. On the regional level the functions of the Committees, Rings and Groups are exercised by the Armament Chairman (Rüstungsobmann) in matters belonging to the jurisdiction

of the Armament Inspection, and by the District Armament Chairman in matters belonging to the jurisdiction of the Reich Defense Commissioner. In this capacity, the Armament Chairman and the District Armament Chairman initiate the measures necessary for increasing efficiency and for rationalization, with special regard to speeding up the execution of the production programs in the enterprises.

The Armament Chairman, in his capacity as representative of the self-administrative organization of industry, collaborates as closely as possible with the Armament Inspector and the Army District Deputy, with a view to securing a smooth flow of armament production. The District Chairmen are bound by his directives. The Industrial Section of the Gau Economic Chamber located at the seat of the Armament Inspection serves as his managing office; in that respect the Industrial Section has to follow his directives.

Within the jurisdiction of the Reich Defense Commissioner, the District Chairman, together with the District Delegates of the Committees and Rings who are coordinated by him, shall serve the Armament Chairman in the execution of his tasks. He collaborates as closely as possible with the government agencies in charge of supervision and guidance (Betreuung) of industries. He participates in the steering of contracts by making suggestions or raising objections, as the case may be, with regard to the opening of new plants, the selection of plants to which contracts shall be assigned, and the closing down of plants. He shall, within his district, provide for an extensive exchange of experience among all industries regardless of specialization, and for the cooperation of the Committees and Rings with one another. The Industrial Section of the Gau Economic Chamber will serve as his managing office and will to that extent be subject to his orders.

- e. The Building Commissioners (Baubevollmächtigte) have the duty to execute the orders of the Building Bureau of the Ministry within the districts of the Armament Inspections and to supervise the enforcement of the regulations concerning the steering of building activities. The Gau Delegates for Building (Gaubeauftragte) shall support the Commissioners in the performance of their tasks.

The Building Commissioners become permanent members of the Armament Commissions as of today.

- f. The Regional Economic Offices (Landeswirtschaftsämter) and their subordinate agencies have, among others, the following functions:

They supervise and guide (betreuen) the industrial enterprises essential for war production to the extent that this is not being done by the Armament Inspections and Armament Commands (Rüstungsdienststellen). They are responsible for securing supplies of coal for all industries and for private consumers.

They carry out, at the proposal of the Technical Commissions, the exchange of all machines with the exception of machine tools and wood-working machines.

They regulate within their jurisdiction the supply of the population with all commodities subject to rationing. In their capacity as regional agencies of the Inspector General for Water and Power, or as the case may be, the Reichsstelle for Electricity, they shall steer, supervise and guide the production and distribution of power within their area, in order to achieve maximum output in power production and to balance supply and demand of electrical power and gas. They perform these functions through their Power Experts (Energierreferenten) and the Regional Officers for Power Distribution (Bezirkslastverteiler).

The Regional Officers for Power Distribution become permanent members of the Armament Boards as of today; where their area comprises several Armament Boards, they may appoint deputies.

- g. The Gau Labor Offices (Gauarbeitsämter) and their subordinate agencies have the following functions:

They carry out labor mobilization as a whole for the armament industry. In doing so they have to fill the manpower demands of the armament industry in accordance with the requirements of the Armament Inspections and Armament Commands. They shall see to it that manpower is shifted to bottlenecks; they shall also supply foreign workers and place these foreign workers as well as war prisoners.

They steer apprentices into the various industries and handle such social measures as separation allowances for labor draftees (Dienstverpflichtete), special allowances, and the like.

In cases where enterprises appeal against measures taken by local Labor Offices, the Gau Labor Offices shall consult with the supervisory agency which has primary jurisdiction over the enterprise. If no agreement can be reached, a final decision shall be rendered by the Armament Board.

## V. Final Remarks

1. The distribution of functions and responsibilities which have been established by this decree cannot be successful unless the personnel of all the Bureaus of my Ministry and of all agencies and organizations subordinated to me realize at all times the need for cooperation in the common task. I wish to state with the greatest emphasis that any actions which violate this basic idea will not meet any tolerance on my part, since they endanger the great and important objectives towards which all Bureaus and agencies must strive together. In conclusion I, therefore, wish to point out the following:

(a) Everyone, regardless of the interests of his own agency, must in the first place feel responsible toward the overall objective and must willingly place his knowledge and experience at the disposal of all agencies which are in need of such knowledge and experience for their work.

(b) Everyone must keep within the limits of his jurisdiction, in order that clear lines of responsibility may be maintained.

(c) The distribution of functions cannot yield the expected results unless every individual is firmly convinced of the need for close and friendly cooperation.

I herewith make it the explicit duty of every one of my Bureaus and Committees, of the Reichsstellen and the Groups, to see to it that these principles are adopted everywhere within their jurisdiction.

2. It is self-understood that the delimitation of jurisdictions between the Minister of Economics and my own sphere of jurisdiction, as defined in the decree of the Führer and the executory decrees issued under that decree, will be strictly observed.

It is particularly necessary during the first months following this reorganization to observe consistently the lines of jurisdiction and, at the same time, to solve the tasks common to both Ministries in a cooperative spirit which corresponds to the full understanding which the Reich Minister of Economics, Dr. Funk, has shown with respect to the special needs of armament production and he himself suggested that the entire production be concentrated in my agencies. Minister Funk has issued identical instructions to his Ministry.



3. Within the next months everyone will have more than enough to do with his own assignment. Hence everyone should concentrate his efforts and energy on the thorough and conscientious performance of his own task, without attempting to extend his jurisdiction or to participate, at the expense of his own time and the time of his colleagues, in activities which can and must be carried out without him. It is only by strict observance of these directives that the uncertainties which exist at present among leaders of enterprises and government agencies with regard to the question, to whom they shall apply in a given matter, can gradually be eliminated.

(signed) SPEER

Berlin, October 29, 1943.

#### APPENDIX

to the Decree of the Reich Minister for Armament and War Production of October 29, 1943.

The Reich Minister  
for  
Armament and War Production  
Deputy General for  
Armament Tasks in the Four  
Year Plan Administration  
AZ Org. 9000/2-143.

Berlin, September 16, 1943

#### DECREE

of the Deputy General for Armament Tasks in the Four Year Plan Administration and Reich Minister for Armament and War Production, concerning the Functions of the Planning Office, of September 16, 1943.

The Reich Marshal of the Greater German Reich, by decree of September 4, 1943, has established within my jurisdiction a Planning Office for the centralized handling of all basic problems of war economic planning.

On the basis of this decree I herewith decree as follows:

#### I

1. The Planning Office shall prepare the decisions of the Central Planning Office (Zentrale Planung) and supervise the execution of these decisions.
2. For this purpose it shall in particular prepare the plans for the distribution of basic materials (such as, e.g., iron, metals,

coal, mineral oil, nitrogen, and other vital raw materials) to the various claimants.

3. The Planning Office shall draft production and distribution plans for the entire war economy, which will serve as a basis for the work of the Central Planning Office. In doing so it shall base its plans on the requirements of the entire area dominated by Germany. Imports and exports shall be preceded by discussions and agreements with the jurisdictions and agencies interested, with a view to all factors of production. The Planning Office shall currently gather and analyze the necessary statistical material.
4. The Planning Office shall submit to the Central Planning Office proposals for the allocation of all manpower within the sphere of Greater Germany to the various main sectors of economy (e.g., industry, transportation, food, etc.). It shall also compile statistics showing the manner in which the decisions of the Central Planning Office are carried out.
5. The Planning Office shall furthermore bring to the attention of the Central Planning Office, as early as possible, factors which might endanger the course of German war economy in general.
6. The Planning Office shall act as claimant for the war economy vis-a-vis the Reich Minister of Economics with regard to the determination of imports and exports.

It shall currently report to the Central Planning Office on the situation with respect to imports essential for the war economy.

7. The priority scales which determine priorities in the allocation of materials or manpower to the various main sectors of the war economy, shall be brought to the attention of the Planning Office before they are executed, in order to enable the Planning Office to coordinate them or, if necessary, to call on the Central Planning Office for a decision.

## II

In order to secure an overall planning for the entire industrial war production, the Planning Office assumes, within my jurisdiction as Reich Minister for Armament and War Production, the following functions:

1. To coordinate, according to uniform principles, the plans drafted by the Main Committees and Rings, the Economic Groups and Trade Groups (or Bewirtschaftungsstellen, as the case may

be) on their own responsibility, and to consolidate the results of these partial plans.

2. To adjust the activities of the various Bureaus of the Ministry, of the Main Committees, Rings, Economic Groups and Trade Groups to situations which arise from changes in programs or reductions of production, and to inform itself on the manner in which such adjustments are carried out.
3. To compile detailed statistics on all production and consumption of articles needed for implements (Geräte) and equipment, which are manufactured by war industries; to request information concerning stocks of such articles; and thus to furnish me with the data necessary for steering this type of production.
4. To compile statistics on the industrial and war production of the states belonging to the sphere of Greater Germany and of the states allied with the Reich, and to develop on this basis proposals for a reciprocal exchange of production with a view to increasing the war production of each partner.
5. To examine and approve in general plans for expansion and increase of capacity, provided that the amount to be invested in constructions and installations exceeds five million Reichsmarks in a given case or that such constructions and installations can not be put to use earlier than one year from the date of the application. Cases where differences of opinion arise between the Planning Office and an applicant shall be referred to me for final decision. Where the shifting of a plant amounts to an expansion of capacity, the approval of the Planning Office is required if the amount to be invested in new construction exceeds 500,000 Reichsmarks.
6. To examine all those basic priority scales and changes in priority within war industries which determine the interrelation of various production processes (manpower, allocations of materials, etc.). Such scales and changes must be submitted to the Planning Office in order to enable the Planning Office to coordinate the opinions of the various Bureaus and, if necessary, to refer the decision to me.

### III

1. For drawing up the plans for the supplies needed and for distribution and allocating of raw materials and basic materials, the Planning Office makes use of the Reichsstellen and Reich Associations. The manner in which the Planning Office shall

collaborate with the Reichsstellen and Reich Associations will be regulated by the Chief of the Planning Office.

2. In this respect the Reichsstellen and Reich Associations are subject to the directives of the Planning Office except in matters over which the Reich Minister of Economics has jurisdiction (see section 4 of the First Executory Decree under the Decree of the Führer concerning the Concentration of War Economy).

#### IV

The functions of the managing office of the Central Planning Office (see decree of October 20, 1942) are herewith transferred to the Planning Office in agreement with the Central Planning Office.

#### V

1. The Planning Office has the right to demand from all German public agencies and organizations, within and outside the territory of the Reich, information on economic conditions.
2. The Planning Office is a public agency authorized to require information within the meaning of the decree concerning the duty to render information, of July 13, 1923 (RGBl. I, 723).

The Reich Minister  
for Armament and War Production  
and Deputy General for  
Armament Tasks in the Four Year Plan Administration

(signed) SPEER.



APPENDIX 2

Chart I

The Six Production Spheres in the Speer Ministry  
in the Period between October 1943 and November 1944

Rohstoffsaat	Rüstungslieferungsaat	Technisches Amt für Rüstungsendfertigung	Produktionsamt für Verbrauchsgüter	Amt Bau	Amt Energie
Leiter (Chief), . . . Präsident Kehrl	Leiter (Chief), . . . . . Walter Schieber	Leiter (Chief), . . . . . Hauptdienstleiter Saur	Leiter (Chief), . . . . . Engineer Seebauer	Leiter (Chief), . . . . . Stobbe- Dethleffsen	Leiter (Chief), . . . . . Staatssekretär Schulze-Fielitz
	Exercises overall control over-- Planning, equalization, and allocation of machine tools and other shop equipment Placement of orders for iron and steel Utilization of the capacity of the small producers Regional representatives of the committees and rings--that is, the Rüstungsobmänner Regional and plant power conservation engineers	Exercises overall control over-- Quality and performance of all manufactured products and war supplies Manufacturing methods in all industrial enterprises Development (armament and other war supplies) Inventions and proposals for improvements Patents Special activities (?) Wehrkreisbeauftragte Technical development commissions Use of substitute material in manufacturing (Werkstoffumstellung)			
Exercises specific control over-- Industry of raw and basic materials without the iron-producing industry Coal General mining Metal products and alloy metals Wood, pulp, and paper production Textile raw materials (natural and synthetic) Mineral oils (natural and synthetic) Rubber (natural and synthetic) Industrial fats	Exercises specific control over-- Iron and steel production, including rolling mills and forging plants Iron and metal foundries Refining and finishing of iron, steel, and non-ferrous metals Machine elements Technical gases and welding Technical glass and ceramics Stones and earths Plastics Gunpowder, explosives, and poison gas Electrical industry Optical industry and industry of precision instruments Steel and iron construction (except railway cars and building) General war supplies Iron, sheet metal, and metal goods Chains Machine industry, including oilfield machinery and generators	Exercises specific control over <sup>2/</sup> Arms Ammunition Armored vehicles Automobiles Rail vehicles Construction of ships Torpedoes	Exercises specific control over-- Textiles (except textile raw materials) Leather Shoes Wood-processing Paper-processing Printing Glass (except technical glass) Ceramics (without technical ceramics) Tobacco manufacture	Exercises specific control over-- Operations of the Generallandwirtschaftiger Bau (Deputy General for Construction) in connection with the air force and air defense, including air-raid shelters, except in occupied territories Governmental building committees and construction specifications	Exercises specific control over-- The whole German power economy (in collaboration with the following agencies in the Speer Ministry):  Reichslastverteiler Elektrizität--Reichsstelle für Elektrizitätswirtschaft (Reich Power Load Distributor--Reich Office for the Electrical Economy) Reichslastverteiler Gas (Reich Load Distributor for Gas) Sonderbeauftragter für Energieeinsparung (Special Deputy for Conservation of Electrical Energy)
Has jurisdiction over the following agencies-- Reichsvereinigung Kohle (Reich Coal Association) Hauptring Metalle (Main Metals Ring) Hauptring Holz (Main Wood Ring) Wirtschaftsgruppe Zellstoff, Papier- und Pappe (Economic Group for Pulp, Paper, and Pasteboard) Reichsvereinigung Chemische Fasern (Reich Chemical Fibers Association) Reichsvereinigung Bastfasern (Reich Association for Hemp and Other Industrial Fibers) Arbeitsgemeinschaft Wolle (Wool Confederation) Wirtschaftsgruppe Chemie (Economic Group for Chemicals) Wirtschaftsgruppe Kraftstoffindustrie (Economic Group for Liquid Fuel Industry)	Has jurisdiction over the following agencies-- Reichsvereinigung Eisen (Reich Iron Association) Hauptring Eisenerzeugung (Main Iron Production Ring) Hauptring Walzwerkserzeugnisse (Main Ring for Rolling-mill Products) Rüstungshandel (War Supply Trade) Hauptring Eisen- und Metallguss (Main Ring for Castings from Iron and Non-ferrous Metals) Hauptring Schmiedestücke (Main Ring for Forgings) Hauptring Werkstoffverfeinerung (Main Ring for Refining and Finishing Iron, Steel, and Non-ferrous Metals) Hauptring Maschinenelemente (Main Machine Elements Ring) Hauptring Schweiß- und Schneidtechnik (Main Ring for Welding and Oxy-acetylene Cutting) Hauptring Kunst- und Preststoffe (Main Plastics Ring) Hauptring Steine- und Erden (Main Ring for Stones and Earths) Hauptring Technisches Glas- und Keramik (Main Ring for Technical Glass and Ceramics) Hauptausschuss Pulver-, Spreng-, und K.-Stoff und deren Vorprodukte (Main Committee for Blasting Powder, Explosives, and Poison Gases--Including Source Materials) Hauptausschuss Feinmechanik- und Optik (Main Precision and Optical Instruments Committee) Hauptausschuss Stahl- und Eisenbau (Main Iron and Steel Construction Committee) Hauptausschuss Eisen-, Blech-, und Metallwaren (Main Committee for the Production of Goods from Iron, Sheet Metal and Non-ferrous Metal) Hauptausschuss Elektrotechnik (Main Electrical Engineering Committee) Hauptausschuss Maschinenbau (Main Machine Construction Committee) Hauptausschuss Rüstungsgerät (Main Committee for Miscellaneous War Supplies) Hauptausschuss Fertigungsmittel (Main Machine Tools and Shop Equipment Committee)	Has jurisdiction over the following agencies-- Hauptausschuss Waffen (Main Arms Committee) Hauptausschuss Munition (Main Ammunition Committee) Hauptausschuss Panzerwagen (Main Armored Vehicle Committee) Hauptausschuss Kraftfahrzeuge (Main Automobile Committee) Hauptausschuss Schienenfahrzeuge (Main Committee for Rolling Stock) Hauptausschuss Schiffbau (Main Shipbuilding Committee)	Has jurisdiction over the following agencies <sup>3/</sup> -- Wirtschaftsgruppe Textilindustrie (Textile Industry Economic Group) Wirtschaftsgruppe Bekleidung (Wearing Apparel Economic Group) Wirtschaftsgruppe Lederindustrie (Leather Industry Economic Group) Gemeinschaft Schuhe (Shoe Association) Wirtschaftsgruppe Holzverarbeitung (Economic Group for Wood-processing) Wirtschaftsgruppe Druck (Economic Group for Printing) Wirtschaftsgruppe Keramik (Economic Group for Ceramics) Fachgruppe Tabakindustrie (Tobacco Industry Trade Group) Wirtschaftsgruppe Papierverarbeitung (Economic Group for Paper-processing)	Has jurisdiction over the following agencies-- Hauptausschuss Bau (Main Committee for Construction) Wirtschaftsgruppe Bauindustrie (Economic Group for the Construction Industry) Reichsbeauftragter für den Holzbau (Reich Deputy for Construction with Wood)	Has jurisdiction over the following agencies-- Reichsgruppe Energiewirtschaft (Reich Office for the Power Economy) Wirtschaftsgruppe Elektrizitätsversorgung (Economic Group for the Supply and Distribution of Electricity) Wirtschaftsgruppe Gas- und Wasserversorgung (Economic Group for the Supply of Gas and Water)

1/ This chart is based on information valid as of October 1943. Some changes, however, on which definite information became available during 1944 were entered. (For radical changes in November 1944, see Chart II.)

2/ The responsibility for design and assembly of aircraft seems to rest with the Reichsluftministerium (Reich Air Ministry) and its General-Luftzeugmeister, which is, however, assisted by the Technisches Amt. The jurisdiction over the main committees in charge of aircraft production, therefore, is uncertain. These main committees are: Hauptausschuss Flugzeugzellen (Main Committee for Aircraft Structures); Hauptausschuss Flugzeugtriebwerke (Main Aircraft Engines Committee); Hauptausschuss Flugzeugausrüstung (Main Aircraft Accessories Committee).

3/ To the Wirtschaftsgruppen mentioned under the above heading, the Produktionshauptausschüsse (Main Production Committees) were added during 1944. These in the field of consumption goods have similar functions to those of the main committees and of the main rings in the production of armament, essential machinery, and war supplies.

APPENDIX 3

THE REORGANIZATION DECREES OF NOVEMBER 1944

1. Decree by Reich Minister of Armament and War  
Production, dated November 15, 1944

(Published in Nachrichten des Reichsministerium  
für Rüstung und Kriegsproduktion, No. 49, of  
November 20, 1944.)

"Simplification of the Organization of the  
Reich Ministry of Armament and War Production  
through Liquidation and Merger of Offices."

Having decided -- as will be announced elsewhere -- to dis-  
solve my Armament Supply Bureau (Rüstungslieferungsamt) and to dis-  
tribute its functions among the other Bureaus of my Ministry, I  
intend in the near future to take additional measures for the con-  
centration of work and simplification of procedure and for economy  
in personnel inside my Ministry.

The chief of my Armament Bureau (Rüstungsamt), General der  
Artillerie Dr. e. h. Waeger, has urged me to release him after two  
years service for front line employment, in order to take command of  
an army corps which has been offered to him.

The chief of my Central Office (Zentralamt) Oberbürgermeister  
Liebel, who has also served my Ministry for two and one-half years  
has asked to be released in order to return to Nürnberg (which has  
been heavily affected by air raids), in order to devote himself to  
its local problems.

After serious reflection and only very reluctantly, I have  
promised these two deserving collaborators and tried chiefs of my  
Ministry -- after official recognition of their successful activities --  
to comply with their wishes, and I intend in future to continue to  
entrust Oberbürgermeister Liebel with the execution of important  
special assignments in the framework of my Ministry.

I have for the time being appointed my old collaborator and  
present branch chief (Amtsgruppenchef) in the Rüstungsamt, Dr. Hupfauer,  
as deputy for these two chiefs to enable him to become acquainted with  
the work of the Zentralamt and the Rüstungsamt. Dr. Hupfauer has at  
the same time -- for the duration of the war -- relinquished those  
duties which were under his care in the Deutsche Arbeits-Front.

After an adequate period of transition I intend to merge the Rüstungsamt with the Zentralamt and appoint Hauptdienstleiter Dr. Hupfauer as chief of this office.

These measures, in connection with the dissolution of the Rüstungslieferungsamt, create further possibilities for simplification and economy on the regional level.

In this connection I emphasize expressly that I do not intend to dissolve my well-proven armament field offices (Rüstungsdienststellen). I cannot dispense with them in the future.

In the course of the reorganization of the Ministry there will, however, be possibilities of effecting substantial simplifications of procedure and economics in personnel within the various field offices of my Ministry and simultaneously also in the Rüstungsdienststellen.

Measures to this end will, however, only be taken by the chairmen of the Armament Commissions (Rüstungskommissionen) step by step, according to the circumstances prevailing at the time and according to the local necessities and possibilities, and only after careful preparation and consideration in agreement with the interested Bureaus of my Ministry.

2. Decree by Reich Minister of Armaments and War  
Production, dated November 12, 1944:

(Source as 1)

"Redistribution of the Functions of the  
Armament Supply Bureau."

The chief of my Armament Supply Bureau (Rüstungslieferungsamt), Staatsrat Dr. Walter Schieber, has asked me to relieve him of his post. It was only with great difficulty that I could bring myself to comply with his request, and I regret his departure all the more as in more than two years untiring and successful work, he has made an outstanding contribution to the building up and securing of the German armament potential.

I have expressed to Dr. Schieber my special gratitude for his excellent services and shall entrust him in future with the execution of important special tasks. In view of the resignation of Dr. Schieber as chief of this Bureau, I have decided, in order to simplify the organization of my Ministry, to liquidate the Rüstungslieferungsamt.



The functions hitherto performed by the Rüstungslieferungsamt will be distributed among my other Bureaus as follows:

I. The Technical Bureau (Technisches Amt) will take over:

- (a) The Supply Industries Branch (Amtsgruppe Zulieferungsindustrie), excluding the domains of metal semi-manufactures (Arbeitsgebiet Metallhalbzeuge) and industrial gases (Arbeitsgebiet Technische Gase).
- (b) The Equipment Industries Branch (Amtsgruppe Geräteindustrie), with exceptions within the domains of iron, sheet metal and non-ferrous metal goods (Arbeitsgebiet Eisen-Blech-und Metallwaren) and, in part, armament equipment (Arbeitsbereich Rüstungsgerät).
- (c) The planning of means of manufacture (Fertigungsmittelplanung).

II. The Raw Materials Bureau (Rohstoffamt) will take over:

- (a) The Plastics and Earths Branch (Amtsgruppe Kunststoffe und Erden), excluding industrial glass and ceramics.
- (b) The Propellants and Explosives Branch (Amtsgruppe Pulver und Sprengstoffe), subject to the transfer of technological manufacturing questions to the Technisches Amt.
- (c) From the Supply Industries Branch (Amtsgruppe Zulieferungsindustrie), the sections covering metal semi-manufactures (Arbeitsgebiet Metallhalbzeuge) and industrial gases (Arbeitsgebiet Technische Gase), incorporating these in the Amtsgruppen Metallherzeugung und Chemie, respectively.

III. The Production Bureau (Produktionsamt) will take over:

- (a) The domain (ex Amtsgruppe Geräteindustrie) of iron, sheet metal and non-ferrous metal goods (Arbeitsgebiet Eisen-Blech-und Metallwaren), excepting the parts which are to be transferred to the Technisches Amt and, in part, of armament equipment.
- (b) The domain (ex Amtsgruppe Kunststoffe und Erden) of industrial glass and ceramics (Arbeitsgebiet Technisches Glas und Keramik), which will be incorporated into the Amtsgruppe Glas, Keramik und Holz.

IV. The Planning Office (Planungsamt) will take over:

The Functions of the Amtsgruppe Eisen und Stahl, with the exception of functions relating to production, will be taken over by the Planning Office (Planungsamt G.B. Rüst). The production questions will be handled by the Technisches Amt.

V. The Special Section for Armament Trade (Sonderreferat Rüstungshandel) and the Foreign Machinery Section (Abteilung Maschinen-Ausland) will join the Central Office (Zentralamt Za/W/F).

VI. The Power Section (Energiestelle) in the Rüstungslieferungsamt will join the Zentralamt as an independent unit. For the Central Office for Generators (Zentralstelle für Generatoren), special instructions are being issued. It has been temporarily placed in charge of Vice President Claes.

The above distribution of functions will give rise to the following changes in the Main Committees and Rings which formed part of the Rüstungslieferungsamt):--

1. The Technisches Amt takes over:

(a) The Reich Association Iron (Reichsvereinigung Eisen)

(b) The Main Rings (Ringe):

Iron Production (Eisenerzeugung)

Castings (Guss)

Forgings (Schmiedestücke)

Materials Finishing (Werkstoffverfeinerung)

Machinery Components (Maschinenelemente)

Welding Equipment Industry (Industrie für Schweiss-technik), with the Special Rings:

Oxygen Welding Equipment (Autogen-Geräte und Maschinen)

Electro-welding Equipment (Elektro-Schweissmaschinen und Geräte)

Welding Electrodes (Schweissdrähte).

(c) The Main Committees (Hauptausschüsse) 1/

Electrical Engineering (Elektrotechnik)  
Precision Engineering and Optics (Feinmechanik und Optik)  
Steel and Iron Construction (Stahl- und Eisenbau)  
Gas Generation Plants and Pipeline Construction (Gaserzeugungsanlagen und Leitungsbau), Armament Equipment (Rüstungsgerät) (excepting parts which are to be transferred to the Produktionsamt)  
Parts of the Main Committee Iron, Sheet Metal and Non-Ferrous Metal Goods (Eisen-, Blech und Metallwaren)

2. The Raw Materials Bureau (Rohstoffamt) takes over:

The Main Rings;

Metal Processing (Metallverarbeitung)  
Plastics (Kunst und Presstoffe)  
Propellants and Explosives (Pulver und Sprengstoffe)  
Stones and Earths (Steine und Erden)

The Special Rings (ex Main Ring Welding Equipment and Industrial Gas Industry (Industrie für Schweisstechnik und technische Gase);

Industrial Gases for Welding (Technische Gase für Schweisstechnik) and Industrial Gases for Chemical Uses (Technische Gase für chemische Zwecke), which are to be incorporated in the Economic Group Chemical Industry (Wirtschaftsgruppe Chemische Industrie).

3. The Produktionsamt takes over:

The Main Committee Iron, Sheet Metal and Non-Ferrous Metal Goods (Eisen, Blech und Metallwaren), excepting the parts to be transferred to the Technisches Amt  
The Main Ring Industrial Glass and Ceramics (Technisches Glas und Keramik)  
Parts of the Main Committee Armament Equipment (Rüstungsgerät)

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1/ The Hauptausschüsse "Maschinen und Apparate", "Fertigungseinrichtungen", "Lehren und Werkzeuge" together with the Sonderringe "Walzlager" and "Gleitlager" out of the Hauptring "Maschinenelemente", which hitherto also belonged to the Rüstungslieferungsamt, have already been formed into one comprehensive Hauptausschuss.

At the same time the Sonderring "Zahnräder und Getriebe" of the Hauptring "Maschinenelemente" was transferred to the Hauptausschuss "Motoren und Getriebe" under the Technisches Amt.

4. The Zentralamt (As/W/Fin) takes over:

The "Arbeitsgemeinschaft Rüstungshandel"

The transfer of the functional units to be carried out at once. Released personnel is to be reported to the Zentralamt. Suggestions as to the most efficient incorporation of the new functions allotted to the offices, which must aim at the utmost reduction in size of Main Committees and Rings and their supervising agencies, are to be submitted to me by 27th November, 1944.

Sgd. SPEER



APPENDIX 4

Chart II

The Production Spheres in the Speer  
Ministry as of November 1944

Rohstoffamt	Technisches Amt	Produktionsamt	Amt Bau-Organisation Todt (OT)	Amt Energie
Leiter (Chief), ..... <u>Präsident Kehrl</u>	Leiter (Chief), ..... <u>Hauptdienstleiter Saur</u>	Leiter (Chief), ..... <u>Engineer Seebauer</u>	Leiter (Chief), ..... <u>Ministerialdirektor Dorsch</u>	Leiter (Chief), ..... <u>Staatssekretär Schulze-Fielitz</u>
	Exercises overall control over--			
	Quality and performance of all manufactured products and war supplies Manufacturing methods in all industrial enterprises Development (armament and other war supplies) Inventions and proposals for improvements Patents Special activities (?) Wehrkreisbeauftragte Technical development commissions Concentration commissions Use of substitute material in manufacturing (Werkstoffumsstellung) Planning, equalization, and allocation of machine tools and other shop equipment			
Exercises specific control over--	Exercises specific control over <sup>2/</sup> --	Exercises specific control over--	Exercises specific control over--	Exercises specific control over--
Industry of raw and basic materials without the iron-producing industry Coal and general mining Metal products and alloy metals Wood, pulp, and paper production Textile raw materials (natural and synthetic) Mineral oils (natural and synthetic) Rubber (natural and synthetic) Industrial fats Stones and earths Plastics Gunpowder, explosives, and poison gas	Iron and steel production, including rolling mills and forging plants Iron and metal foundries Refining and finishing of iron, steel, and non-ferrous metals Arms and ammunition Armored vehicles and automobiles Rail vehicles Construction of ships Torpedoes Industrial welding equipment Machine elements Machine industry, including oilfield machinery and generators Electrical industry Optical industry and industry of precision instruments Steel and iron construction (except railway cars and building)	Textiles (except textile raw materials) Leather Shoes Wood-processing Paper-processing Printing Glass (except technical glass) Ceramics (without technical ceramics) Tobacco manufacture General war supplies Iron, sheet metal, and metal goods Technical glass and ceramics	Operations of the <u>Generalbevollmächtigter Bau</u> (Deputy General for Construction) in connection with the air force and air defense, including air-raid shelters, except in occupied territories Governmental building committees and construction specifications	The whole German power economy (in collaboration with the following agencies in the Speer Ministry): <u>Reichslastverteiler Elektrizität</u> — <u>Reichsstelle für Elektrizitätswirtschaft</u> (Reich Power Load Distributor—Reich Office for the Electrical Economy) <u>Reichslastverteiler Gas</u> (Reich Load Distributor for Gas) <u>Sonderbeauftragter für Energieeinsparung</u> (Special Deputy for Conservation of Electrical Energy)
Has jurisdiction over the following agencies--	Has jurisdiction over the following agencies--	Has jurisdiction over the following agencies <sup>2/</sup> --	Has jurisdiction over the following agencies--	Has jurisdiction over the following agencies--
<u>Reichsvereinigung Kohle</u> (Reich Coal Association) <u>Hauptring Metalle</u> (Main Metals Ring) <u>Hauptring Holz</u> (Main Wood Ring) <u>Hauptring Kunst- und Pressstoffe</u> (Main Plastics Ring) <u>Hauptring Steine- und Erden</u> (Main Ring for Stones and Earths) <u>Hauptausschuss Pulver-, Spreng-, and K.-Stoff und deren Vorprodukte</u> (Main Committee for Blasting Powder, Explosives, and Poison Gas--Including Source Materials) <u>Hauptring Metallverarbeitung</u> (Main Ring for Processing of Non-ferrous Metals) <u>Wirtschaftsgruppe Zellstoff, Papier- und Pappe</u> (Economic Group for Pulp, Paper, and Pasteboard) <u>Reichsvereinigung Chemische Fasern</u> (Reich Chemical Fibers Association) <u>Reichsvereinigung Bastfasern</u> (Reich Association for Hemp and Other Industrial Fibers) <u>Arbeitsgemeinschaft Wolle</u> (Wool Confederation) <u>Wirtschaftsgruppe Chemie</u> (Economic Group for Chemicals). Includes now special rings-- <u>Technische Gase für chemische Zwecke</u> (technical gases for chemical purposes) and <u>Technische Gase für Schweisstchnik</u> (technical gases for welding) <u>Wirtschaftsgruppe Kraftstoffindustrie</u> (Economic Group for Liquid Fuel Industry)	<u>Reichsvereinigung Eisen</u> (Reich Iron Association) <u>Hauptring Eisenerzeugung</u> (Main Iron Production Ring) <u>Hauptring Walzwerkserzeugnisse</u> (Main Ring for Rolling-mill Products) <u>Hauptring Eisen- und Metallguss</u> (Main Ring for Castings from Iron and Non-ferrous Metals) <u>Hauptring Schmiedestücke</u> (Main Ring for Forgings) <u>Hauptring Werkstoffverfeinerung</u> (Main Ring for Refining and Finishing Iron, Steel, and Non-ferrous Metals) <u>Hauptring Maschinenelemente</u> (Main Machine Elements Ring) <u>Hauptring Industrie für Schweissttechnik</u> (Main Ring for the Welding Industry) <u>Hauptausschuss Feinmechanik- und Optik</u> (Main Precision and Optical Instruments Committee) <u>Hauptausschuss Stahl- und Eisenbau</u> (Main Iron and Steel Construction Committee) <u>Hauptausschuss Elektrotechnik</u> (Main Electrical Engineering Committee) <u>Hauptausschuss Maschinenbau</u> (Main Machine Construction Committee). Includes now <u>Fertigungsmittel</u> (machine tools and shop equipment) <u>Hauptausschuss Waffen</u> (Main Arms Committee) <u>Hauptausschuss Munition</u> (Main Ammunition Committee) <u>Hauptausschuss Panzerwagen</u> (Main Armored Vehicles Committee) <u>Hauptausschuss Kraftfahrzeuge</u> (Main Automobile Committee) <u>Hauptausschuss Schienenfahrzeuge</u> (Main Committee for Rolling Stock) <u>Hauptausschuss Schiffbau</u> (Main Shipbuilding Committee) <u>Hauptausschuss Gaserzeugungs Anlagen und Leitungsbau</u> (Main Committee for Gas-producing Plants and Construction of Pipelines)	<u>Wirtschaftsgruppe Textilindustrie</u> (Textile Industry Economic Group) <u>Wirtschaftsgruppe Bekleidung</u> (Wearing Apparel Economic Group) <u>Wirtschaftsgruppe Lederindustrie</u> (Leather Industry Economic Group) <u>Gemeinschaft Schuhe</u> (Shoe Association) <u>Wirtschaftsgruppe Holzverarbeitung</u> (Economic Group for Wood-processing) <u>Wirtschaftsgruppe Druck</u> (Economic Group for Printing) <u>Wirtschaftsgruppe Keramik</u> (Economic Group for Ceramics) <u>Fachgruppe Tabakindustrie</u> (Tobacco Industry Trade Group) <u>Wirtschaftsgruppe Papierverarbeitung</u> (Economic Group for Paper-processing) <u>Hauptring Technisches Glas- und Keramik</u> (Main Ring for Technical Glass and Ceramics) <u>Hauptausschuss Rüstungsgerät</u> (Main Committee for Miscellaneous War Supplies), except sections transferred to jurisdiction of Technisches Amt <u>Hauptausschuss Eisen-, Blech-, und Metallwaren</u> (Main Committee for the Production of Goods from Iron, Sheet Metal, and Non-ferrous Metals), except sections that are under jurisdiction of the Technisches Amt	<u>Hauptausschuss Bau</u> (Main Committee for Construction) <u>Wirtschaftsgruppe Bauindustrie</u> (Economic Group for the Construction Industry) <u>Reichsbeauftragter für den Holzbau</u> (Reich Deputy for Construction with Wood)	<u>Reichsgruppe Energiewirtschaft</u> (Reich Office for the Power Economy) <u>Wirtschaftsgruppe Elektrizitätsversorgung</u> (Economic Group for the Supply and Distribution of Electricity) <u>Wirtschaftsgruppe Gas- und Wasserversorgung</u> (Economic Group for the Supply of Gas and Water)
			1/ Other changes from the setup shown on Chart I are: <u>Planungsamt</u> takes control of all matters relating to the iron and steel industry, except production; <u>Zentralamt</u> takes from the <u>Rüstungslieferungsamt</u> jurisdiction over regional and plant power conservation engineers; <u>Zentralamt</u> takes over the <u>Arbeitsgemeinschaft Rüstungshandel</u> (war supply trade).	
			2/ The responsibility for design and assembly of aircraft seems to rest with the <u>Reichsluftministerium</u> (Reich Air Ministry) and its <u>General-Luftzeugmeister</u> , which is, however, assisted by the <u>Technisches Amt</u> . The jurisdiction over the main committees in charge of aircraft production, therefore, is uncertain. These main committees are: <u>Hauptausschuss Flugzeugzellen</u> (Main Committee for Aircraft Structures); <u>Hauptausschuss Flugzeugtriebwerke</u> (Main Aircraft Engines Committee); <u>Hauptausschuss Flugzeugausrüstung</u> (Main Aircraft Accessories Committee).	
			3/ After the decree of October 1943 was issued, a number of <u>Produktionshauptausschüsse</u> (main production committees) were organized. In the field of consumption goods, these have functions similar to those of the main committees and of the main rings in the production of armament, essential machinery, and war supplies.	

APPENDIX 5

List of the Seats of the Rüstungsinspektionen  
and Rüstungskommandos in Germany Proper

<u>Wehrkreis</u>	<u>Rüstungsinspektion</u>	<u>Rüstungskommando</u>
I	Königsberg	
II	Stettin	Schwerin
III	Berlin	4 in Berlin; 1 each in Potsdam and Frankfurt/Oder
IV	Dresden	Dresden Chemnitz Leipzig Halle
V	Stuttgart	Stuttgart Ulm
VI	Münster	Villingen Dortmund Osnabrück Bielefeld Köln Länderscheid Essen
VII	München	München Augsburg
VIII	Breslau	Liegnitz
IX	Kassel	Kassel Frankfurt/Main Giessen Eisenach Weimar
X	Hamburg	2 in Hamburg; 1 each in Bremen and Kiel
XI	Hannover	Hannover Magdeburg Dessau Braunschweig
XII	Wiesbaden	Mannheim Saarbrücken Koblenz
XIII	Nürnberg	Nürnberg

Sub-Divisions of Armament Boards on the Gau Level

By a decree of Minister Speer of August 3, 1944, Sub-Divisions of Armament Boards (Rüstungsunterkommissionen) have been established in all Gaue which have no Armament Boards of their own. 1/ The Sub-Divisions are attached to the Gauleiter in their capacity as Reichsverteidigungskommissare. The Sub-Divisions are presided over by the chairmen of the Armament Board; a deputy-chairman has been appointed for each Sub-Division. The deputy-chairmen are automatically members of the Armament Boards.

The members of the Armament Boards which represent the Speer Ministry and its subordinate agencies (Armament Inspector, Armament Commissioner, Army District Deputy, Regional Power Allocation Officer and Regional Einsatzleiter) serve simultaneously as members of the Sub-Divisions. The rule that the chiefs of the various Gau Economic Chambers, Gau Labor Offices, Regional Economic Offices and the various Gau Economic Advisors of the National Socialist Party belong automatically to the Armament Boards has been changed to the effect that the agencies concerned designate "one mainly responsible Agency Head" to the Armament Board; the others are members of the respective Sub-Divisions. In addition, the following persons belong to the Sub-Divisions of the Armament Boards:

The Gau Building Commissioner,  
The Gau Representative of the German Labor Front, and  
A Regional Delegate of the Short Distance Transport Commissioner.

The Armament Commands are entrusted with the conduct of business of the Sub-Divisions of the Armament Boards.

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1/ The decree became known at a time at which this report had been completed.