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# Infrastructures, Circulation and the Limits of Empire: German War Aims in the First World War

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German war aims in the First World War developed over the course of the war in part as a response to shifts in the structure of global markets. Germany's industrial economy before the war relied substantially on access to global markets for raw materials, which were mediated by networks of infrastructure constructed as collaborative efforts by private capital and states, particularly the American and British imperial states. During the war, Great Britain and eventually the United States leveraged their position within those networks to isolate the German economy. In response, the German state sought to generate its own public-private alliances to develop German-dominated infrastructures of circulation and exchange in Central, Eastern and Southeastern Europe. This often entailed working through other states, appropriating their sovereignty to further German ambitions. Military victory, however, so weakened these dependent states that they were unable to serve their expected role in advancing German imperial goals.

The nature of Germany's goals in the First World War has been much explored. Since Fritz Fischer shook the field to its foundations, the economic components of German policy have been a central feature of analyses of German war aims. Initially these economic goals had focused on the construction of a large, German-dominated customs union in Europe, popularly known as *Mitteleuropa*. In the second half of the war, as tariffs began to lose their appeal as the principal state tool for shaping international markets and as access to raw materials during and after the war became increasingly crucial, German policy began to emphasise control over physical, legal and financial infrastructures that facilitated circulation in modern economies.

This emphasis on controlling infrastructures of circulation built on the experience of the long nineteenth century, during which industry in places like Germany had become increasingly tied to the development of frontier regions across the globe. The exploitation of frontiers required a significant and sustained alliance between the public powers of the state and the resources of private capital. German wartime policy sought increasingly to replicate this control over infrastructures within Europe, especially Eastern and Southeastern Europe. Through the control of infrastructures, German interest in accessing raw materials, controlling markets and dominating neighbouring regions could be realised.

As Germany did not seek vast annexations of territory like the Treaty of Guadalupe Hidalgo, however, the public-private alliance could not be an immediate relationship such as those of the United States or the British Empire. Rather, Germany would have to rely on the cooperation of subordinate states. This was not a unique situation; British, American and German interests had all constructed informal dependencies of varying forms before the war. Nonetheless, informal empire would leave German imperialism reliant on partnerships with weak but functioning states. In the situation created by the war and German policy (revolution, secession, state bankruptcy), however, the state institutions necessary for Germans to exploit their new informal empire were too weak to serve German purposes.

The argument of the following article builds on a group of historians interested in the role of Germany's prewar engagement in the *Weltwirtschaft* in developing German war aims, such as Erik

Grimmer-Solem and Jennifer Jenkins.<sup>1</sup> Georges-Henri Soutou's exploration of economic war and economic war aims, *L'Or et le Sang*, is a classic effort to put war aims into the context of a global economic system. Soutou properly emphasises the significance of allied threats of continued economic war after the war. He argues that the threat of continuing boycotts persuaded the Germans that a return to the *status quo ante* in global markets was not a given but rather had to be a political goal. *Mitteleuropa* and the former Russian Empire were to play two roles in this vision. They were seen in part as ways of pressuring the West into agreeing to resurrect the older commercial regime of largely open markets and the free flow of capital, goods and people. At the same time, the position won by the war was also to improve the German position within those revived global markets. Soutou leaves opaque how these European markets were to play both roles; presumably they would exclude Western products until such time as Germans could trade freely across the globe. In general, Soutou acknowledges that there was an important transition in 1917 when war aims transitioned from 'theoretical reflection' to the articulation of practical plans. Those practicalities involved more than the old policy tools like tariffs, but Soutou is less interested in the nature of Germany's new tools. He notes the significance of raw materials, financial agreements, the priority of reconstruction over free exchange, but then returns to German debates about strategic goals. Soutou provides a history of strategic goals, not the articulation of tools to realise those goals, nor the implications of those tools.<sup>2</sup> By adding a history of infrastructure, we see both the depths of German efforts to prepare for the postwar global economy, but also the Janus-faced quality of that effort. It was an effort to position Germany for an opaque future, simultaneously seeking a stronger position within a possible revived liberal transnational economy and also an effort to prepare for a deeply fractured set of regional markets engaged in increasingly strenuous mercantilist competition.

The article also emphasises the practical limits to German imperialism. Much of the literature on war aims focuses on the strategic goals of German policy. The limits of German imperial power more frequently appear in the literature on occupation.<sup>3</sup> Studies of occupation often emphasise the practical difficulties faced by Germans as a result of national mobilisation.<sup>4</sup> The focus here will be on the failures of governance, arguing that the collapse of state capacity played an essential role in obstructing German imperial ambitions. The failure of state institutions to perform crucial functions necessary to the circulation of goods and capital resulted in failures like that in Ukraine, which 'at no point was . . . successfully placed on a solid economic footing'.<sup>5</sup>

Implicit in the argument that German leadership increasingly thought in terms of infrastructures to shape the postwar international political economy is the suggestion that German perceptions of international economic order underwent significant changes during the war. The retreat from tariffs as a tool of policy and the growing anxiety about the prospects for returning to the *status quo ante* in international economics suggested a broad crisis. Adam Tooze has shown that late 1916 and 1917 marks a

<sup>1</sup> See, for example, Erik Grimmer-Solem, *Learning Empire: Globalization and the German Quest for World Status, 1875–1919* (Cambridge: Cambridge University Press, 2019); Jennifer Jenkins, 'Germany's Eurasian Strategy in 1918', in Helmut Bley and Anorthe Kremers, eds., *The World During the First World War* (Essen: Klartext Verlag, 2014), 302.

<sup>2</sup> Georges-Henri Soutou, *L'Or et le Sang. Les buts de guerre économiques de la Première Guerre mondiale* (Paris: Fayard, 1989), 571–8, 597–611.

<sup>3</sup> See, for example, Vejas Liulevicius, *War Land on the Eastern Front: Culture, National Identity and German Occupation in World War I* (Cambridge: Cambridge University Press, 2000); Jesse Kauffman, *Elusive Alliance: The German Occupation of Poland in World War I* (Cambridge, MA: Harvard University Press, 2015); Wolfram Dornik, 'Die wirtschaftliche Ausnutzung', *Die Ukraine: zwischen Selbstbestimmung und Fremdherrschaft 1917–1922* (Graz: Leykam Verlag, 2011).

<sup>4</sup> In addition to those above, see, for example, Jesse Kauffman, 'Nationalism, Imperialism, and Occupation in the Shatterzone of Empires: Russia's Western Frontiers, 1905–1918', in John Deak, Heather R. Perry and Emre Sencer, eds., *The Central Powers in Russia's Great War and Revolution: Enemy Visions and Encounters, 1914–1922* (Bloomington, IN: Slavica Press, 2020), 135–56; also Geoff Eley, 'Remapping the Nation: War, Revolutionary Upheaval and State Formation in Eastern Europe, 1914–1923', in Howard Aster and Peter J. Potichnyj, eds., *Ukrainian-Jewish Relations in Historical Perspective* (Edmonton: Canadian Institute of Ukrainian Studies, 1990), 205–46.

<sup>5</sup> Peter Lieb, 'German Politics in the East between Brest-Litovsk and Versailles', in Deak, Perry and Sencer, eds., *Central Powers in Russia's Great War and Revolution*, 271.

significant shift in the global economy as the United States emerged as the premier financial power.<sup>6</sup> That the United States emerged thus as an ally of Great Britain and an opponent of Germany, in a period in which markets were central to the war efforts of both sides, could not help but reshape German perceptions of its place in global markets. Germany responded with more aggressive and radical efforts to construct market spaces protected from Anglo-American competition and amenable to German political influence.

To explore the role of infrastructure in German war aims, this article is organised broadly into three parts. The first will discuss the German industrial economy's increasing dependence on a global frontier and its raw materials. Access to this frontier was made possible by alliances between states and private capital to develop and operate various forms of infrastructure. The second section will build on the significance of networks of infrastructure. It delves into the exclusion of Germany from systems of global circulation during the First World War and its impact on German policy, particularly German war aims. This section will emphasise the efforts of the German state and private interests to mimic the relationship between state and industry on the global frontier, this time in Eastern and Southeastern Europe. The third part will show that the collapse of state institutions, particularly in the former Russian Empire, simultaneously opened the prospect of a vast expansion of German imperial power and the creation of a hinterland to rival those of the United States and the British Empire, but also destroyed those institutions that were essential to mediating between German industry and European raw materials producers.

### Global Infrastructures and the German Industrial Economy

In October 1917, Dr. Kurt Wiedenfeld, a Professor of Political Economy at the University of Halle who had been seconded to the War Raw Materials Office, submitted an exceptionally lengthy memorandum. The report found its way to the War Office for the Preparation of Economic Matters for Peace Negotiations, the coordinating office led by the former Deputy Chancellor, Dr. Karl Helfferich. Wiedenfeld's opus, entitled 'Germany's Raw Materials Position and Tasks', was an effort to provide a sense of how Germany's requirements for industrial raw materials fit into global markets. Petroleum and copper from the United States. Tin from the East Indies and Australia. Nickel from the United States and Canada. Cotton from the United States and Egypt. Wolfram from India and Australia. Molybdenum from Australia. Dr. Wiedenfeld's report was an unlikely monument to the success of Anglo-American capital in the preceding century.<sup>7</sup>

Wiedenfeld argued that Germany's position in the world economy was defined by the obligation to import in order to export. German industry required the steady flow of raw materials from around the world so that Germans might process those raw materials and then profitably export them. This effectively had made the German national economy dependent on British and American markets, in part because of their political control over the regions from which those raw materials came, in part because of the physical and financial systems of distribution that were controlled by British capital.<sup>8</sup> This is not to suggest that Germans had not purchased raw materials from other Entente states, particularly Russia and France. Rather, the German reliance on American and British imperial markets was substantially larger and more varied, creating entirely different levels of dependence. Moreover, as the war dragged on, the dominance of Britain and the United States in the anti-German alliance grew.

The relationship that Wiedenfeld described between German industry and British imperial and American raw materials was the product of a distinct historical process. Germany's climb into the first tier of industrial economies coincided with and was closely linked to the so-called 'Second Industrial Revolution', a term which is intended to capture the development of chemical and electrical

<sup>6</sup> Adam Tooze, *The Deluge: The Great War, America and the Remaking of the Global Order, 1916–1931* (New York: Viking, 2014).

<sup>7</sup> 'Deutschlands Rohstofflage und Rohstoff-Aufgaben', Prof. Dr. Wiedenfeld. Oct. 1917, Bundesarchiv Lichtenfelde (BL) R704/2 bl 197.

<sup>8</sup> *Ibid.*

engineering industries as well as the transition from iron to steel, all of which spurred a lengthy burst of industrial expansion at the end of the nineteenth and beginning of the twentieth centuries. This process was intimately connected to the rapid expansion of German foreign trade. The share of the German national economy represented by foreign trade rose considerably over the decades before the First World War – exports grew from 7.4 per cent of German Gross Domestic Product (GDP) in 1870 to over 12 per cent in 1913, and imports grew even faster, more than doubling between the mid-1890s and the immediate prewar years.<sup>9</sup> Within those trade statistics is a notable wrinkle. Each of the new industries of the ‘Second Industrial Revolution’ also created novel raw material requirements, often from geographically widely dispersed sources: phosphates, petroleum, wolfram, copper, rubber, nickel, chrome.<sup>10</sup> The nature of the ‘Second Industrial Revolution’ tended to imbricate Germany more deeply in global systems of exchange generally, but also tied the German industrial economy specifically to rapidly developing ‘frontier’ regions.

These new demands for raw materials often meant that Germany relied on the resources generated from ‘client frontier regions’.<sup>11</sup> One of the central dynamics of the world economy in the late nineteenth century had been the emergence of a sort of global ‘great frontier’, in Edward Barbier’s phrase. ‘Frontier’ in this sense describes a relationship between land, labour and the global economy, suggesting a region which drew capital and labour from Europe and, increasingly, the United States to regions, often wrested from indigenous populations, where land was cheap and labour was often expensive. As capital and labour flowed to these frontiers, there was a huge expansion of production for distant markets. The acres devoted to wheat production in Argentina and Canada essentially quadrupled in the twenty years before the First World War, for example, and the output of the mining industry in developing regions nearly tripled in the fifteen years before the war.<sup>12</sup>

The exploitation of these frontiers required substantial investment in various sorts of infrastructure to link them with their distant markets. Throughout the nineteenth century, successful states incorporated frontier regions through alliances of state and private capital. These alliances appropriated resources through ‘spatial enclosures’. As Charles Maier argues, they created bounded political space, which ‘established the domain of law and control. It determined the transactions between subjects within and peoples outside: their trade, their coexistence, their right to cross or transport in each direction’.<sup>13</sup>

Such ‘domains of law and control’ created the possibility of collaboration between state and capital, which in turn created the various infrastructures needed to facilitate and direct global exchange. This obviously included transportation infrastructure such as railroads, ports and canals. In addition, a variety of legal, monetary and labour regimes were needed to encourage investment, trade and the flow and control of labour.<sup>14</sup> These alliances are reflections of the fact that, as Noam Maggor and Stefan

<sup>9</sup> Cornelius Torp, *Die Herausforderung der Globalisierung. Wirtschaft und Politik in Deutschland 1860–1914* (Göttingen: Vandenhoeck & Ruprecht, 2005), 30–36; also 60–84.

<sup>10</sup> Steven C. Topik and Allen Wells, ‘Commodity Chains in a Global Economy’, in Emily Rosenberg, ed., *A World Connecting, 1870–1945* (Cambridge, MA: Belknap Press, 2012), 612–17, 671–8.

<sup>11</sup> Edward Barbier, *Scarcity and Frontiers: How Economies Have Developed through Natural Resource Exploitation* (Cambridge: Cambridge University Press, 2011), 375.

<sup>12</sup> Jeffrey Frieden, *Global Capitalism. Its Fall and Rise in the Twentieth Century* (New York: W.W. Norton & Co., 2006), 22.

<sup>13</sup> Charles Maier, *Once Within Borders: Territories of Power, Wealth and Belonging Since 1500* (Cambridge, MA: Belknap Press, 2016), 9.

<sup>14</sup> Barbier, *Scarcity and Frontiers*; Topik and Wells, ‘Commodity Chains’, 628–52; Sven Beckert, ‘American Danger: United States Empire, Eurafica, and the Territorialization of Industrial Capitalism, 1870–1950’, *American Historical Review* (Oct. 2017), 1137–70; Avner Offner, *The First World War: An Agrarian Interpretation* (Oxford: Oxford University Press, 1991); Noam Maggor, ‘To Coddle and Caress These Great Capitalists: Eastern Money, Frontier Populism, and the Politics of Market-Making in the American West’, *American Historical Review*, 122, 1 (2017), 55–84. On the strength of the American state, see William J. Novak, ‘The Myth of the “Weak” American State’, *American Historical Review*, 113, 3 (2008), 752–72. For the role of state-private collaboration in US imperialism, see Colin D. Moore, *American Imperialism and the State, 1893–1921* (Cambridge: Cambridge University Press, 2017); Emily Rosenberg, *Financial*

Link argue, 'All economies are politically designed, institutionally governed, and socially embedded'.<sup>15</sup> Markets, particularly transnational markets, did not simply happen; they relied on the creation of institutions, legal structures and physical infrastructures that structured and enabled the circulation of capital, goods and people.

These alliances between state and capital resulted in a set of political interests and institutional capabilities that focused on the mobility of people, capital and material, what Andrew Denning terms a 'circulatory state'. While Denning uses the term to explore Nazi Germany, I want to use 'circulatory state' to emphasise the role of modern states developed in facilitating, accelerating and directing the intensifying exchange of people, capital and products across ever increasing distances. As Denning argues, '[t]ransportation and communications infrastructures consolidated territorial power by synchronizing vast territories, producing an effect of administrative simultaneity that allowed the abstract ideals of nationalism and the standardizing logic of modern capitalism'. The circulatory state sought simultaneously to facilitate circulation and produce regularity and stability.<sup>16</sup>

Railroads were the most notable example of an alliance between state and capital creating a 'circulatory state'. The US government, for example, protected private capital by gifting land to railway companies to ensure profitability or by using militias and the army to control labour unrest. Meanwhile, the British colonial state in India guaranteed a return for private interests who invested in the construction of Indian railways, while also providing free land, cheap labour and legal protection.<sup>17</sup> These sorts of alliances resulted in a vast expansion of railways on the frontiers of global capitalism in the second half of the nineteenth century. As Jeffrey Frieden points out, 'in 1870 the combined vast expanses of Latin America, Russia, Canada, Australia, South Africa and India had barely as much railroad mileage as in Great Britain. In 1913, these regions had ten times Britain's railroad mileage'.<sup>18</sup> These railways extended the reach of world markets far into the interiors of frontier societies, making it both possible and profitable to transform the natural resources of new regions into commodities for sale in Europe and around the world. State-led development of ports and canals had similar impacts.

The state also played an essential role in developing and commercialising raw materials on the advancing margins of Western capitalism. This could be the result of friendly lease terms on state lands, political pressure on recalcitrant landowners, or other measures to ensure that resource-rich lands were put in the hands of individuals or organisations with the intent and ability to convert nature into commodities. In some cases, the state might participate directly in an extractive company to ensure the success of a valuable enterprise, most notably the British Admiralty's role in the Anglo-Persian Oil Company. The extension of legal regimes, meanwhile, not only secured private property but also established regularised norms for the sale and transfer of commodities. States established currencies and regulated them to ensure stable prices and their convertibility into other currencies. Financial regulatory systems would encourage the flow of capital to desired industries. In a variety of ways large and small, states worked to create both the market and the incentives which ensured that private capital would profit from extracting resources and selling them on the world market.

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*Missionaries to the World; The Politics and Culture of Dollar Diplomacy, 1900–1930* (Durham: Duke University Press, 2004).

<sup>15</sup> Noam Maggor and Stefan Link, 'The United States as Developing Nation: Revisiting the Peculiarities of American History', *Past and Present*, p. 4, gtz032, <https://doi.org/10.1093/pastj/gtz032>.

<sup>16</sup> Andrew Denning, "'Life is Movement, Movement is Life!'" Mobility Politics and the Circulatory State in Nazi Germany', *American Historical Review*, 123, 5 (2018), 1483. For a discussion of the political impact of new relationships between state and society in the nineteenth century, see Barry Buzan and George Lawson, *The Global Transformation: History, Modernity and the Making of International Relations* (Cambridge: Cambridge University Press, 2015).

<sup>17</sup> Steven Hahn, *A Nation without Borders: The United States and Its World in an Age of Civil Wars, 1830–1910* (New York: Penguin Press, 2016), 320–38; Daniel R. Headrick, *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century* (Oxford: Oxford University Press, 1981), 184–90. The Trans-Siberian Railway fits neatly into this framework as well; see Steven G. Marks, *Road to Power: The Trans-Siberian Railroad and the Colonization of Asian Russia, 1850–1917* (Ithaca: Cornell University Press, 1991).

<sup>18</sup> Frieden, *Global Capitalism*, 9.

Governments in the United States, the British Empire and Latin America, then, had done a great deal to develop the natural resources that the German industrial economy had come to rely on, through their roles in constructing infrastructures. On a much smaller scale, German colonial regimes had similarly sought to use state power to promote the orientation of colonised peoples and lands toward international markets. The state played substantial roles in financing and ensuring docile labour forces for the construction of railways, for example, which in turn were intended to tie interiors to industrial producers in Germany and elsewhere.<sup>19</sup>

The development of the ‘great frontier’ did not occur exclusively within the bounds of European formal empires or the United States. Exploiting the great frontier outside territorial boundaries required the collaboration of other states. As John Gallagher and Ronald Robinson argued in their seminal essay ‘The Imperialism of Free Trade’, British capital (as well as European and American capital) sought the appropriate political and legal conditions to facilitate and protect investment (often in infrastructure projects). States that could be trusted to exercise their public powers to protect and advance investment – to align their politics with the interests of British capital – became informal parts of the empire.<sup>20</sup> European and American capital sought close cooperation with host governments like Argentina or Mexico to produce an environment conducive to the circulation of money, labour and materials. In those cases where that environment either disintegrated or was never available in the first place, European governments regularly intervened in formally independent states to protect the infrastructures necessary for capitalism, as in Venezuela, China, Egypt and Panama.

A classic example of this process of capital expansion within and in alliance with another state was the Berlin-Baghdad railroad. The railroad, intended to tie Anatolia and Mesopotamia to a Central European rail network, required an alliance between the Ottoman state and European, especially German, capital. The railway was expected to generate a growing flood of products for European markets, ranging from cotton and grain to petroleum and copper. To realise this dream of raw materials, the Ottoman state underwrote the enterprise in a variety of ways, ranging from direct capital outlays to guarantees of business, land grants, rights of way, etc. This dependence on the Ottoman state would also generate conflict and frustration for the Deutsche Bank.<sup>21</sup> The Berlin-Baghdad railway captured the close relationship between state and capital in the construction of infrastructure and the role of infrastructure in promoting exchange.

Given their essential role in tying Germany to these frontier regions, it is not surprising that infrastructures, most notably railways and telegraph lines, were also crucial tools with which most Central European economists, sociologists, and historians attempted to materialise the ineffable global economy. They functioned as sorts of totems, which made visible an abstraction. Infrastructure presented a ready-made and measurable quantity that lent itself to those who imagined the world economy as spatially organised and enveloping national, isolated economies, as, for example, Kurt Wiedenfied. The predominant mode of understanding the global economy for prewar Germans embedded infrastructures in narratives that could emphasise either cosmopolitan cooperation or inter-imperial competition. The latter in particular tended to imagine lines of infrastructure – railways, telegraphs, shipping lines – as signs of economic, and therefore political, power.<sup>22</sup> Infrastructures opened new

<sup>19</sup> Bradley D. Naranch, ‘“Colonized Body,” “Oriental Machine”: Debating Race, Railroads, and the Politics of Reconstruction in Germany and East Africa, 1906–1910’, *Central European History*, 33, 3 (2000), 305–34; Erik Grimmer-Solem, ‘The Professors’ Africa: Economists, the Elections of 1907, and the Legitimation of German Imperialism’, *German History* 25, 3 (2007), 333–9; Isabel Hull, *Absolute Destruction: Military Culture and the Practices of War in Imperial Germany* (Ithaca: Cornell University Press, 2006); Andrew Zimmerman, *Alabama in Africa: Booker T. Washington, the German Empire, and the Globalization of the New South* (Princeton: Princeton University Press, 2010).

<sup>20</sup> John Gallagher and Ronald Robinson, ‘The Imperialism of Free Trade’, in John Gallagher, *The Decline, Revival and Fall of the British Empire* (Cambridge: Cambridge University Press, 1982), 1–18.

<sup>21</sup> Edward Mead Earle, *Turkey, the Great Powers, and the Bagdad Railway* (New York: The Macmillan Company, 1924), esp. 14–15, 46–51, 76–84. See also John G. Williamson, *Karl Helfferich, 1872–1924: Economist, Financier, Politician* (Princeton: Princeton University Press, 1971), 80–110.

<sup>22</sup> Quinn Slobodian, ‘How to See the World Economy: Statistics, Maps, and Schumpeter’s Camera in the First Age of Globalization’, *Journal of Global History*, 10, 2 (2015), 307–32. A related argument about transportation technology

markets, which appeared to mean that infrastructures controlled markets, and since modern states depended on those markets for revenue, control of markets suggested influence over states. The Baghdad rail project was an excellent example of this: an object of intense imperial conflict because political influence was presumed to flow from the construction of infrastructure.<sup>23</sup>

### Infrastructure and Economic War Aims

Through this historical process, large swathes of the global frontier were tied politically to Great Britain and the United States, leaving those states in particularly strong positions to use their market positions as tools of political coercion. The remarkable role that British capital played in both the construction of the infrastructure of the global economy and in the financing of trade gave Britain an even stronger hold on the flows of raw materials to Central Europe during the Great War. This power was used to limit Germany's ability to produce war material, as well as to clothe and feed its population. By controlling the ability of Germany to access labour and resources beyond the reach of the German army, the Entente hoped to hobble the German army and provoke political discontent among German civilians.<sup>24</sup> The entry of the United States into the war in 1917 accelerated the economic war against Germany. Great Britain no longer had to tend to American objections and the United States itself sought to use its considerable economic power to pressure neutrals into limiting trade with Germany. This was, in effect, an early iteration of what Henry Farrell and Abraham Newman have termed 'weaponised interdependence'.<sup>25</sup>

As indicated by the creation of Helfferich's Coordinating Office and its interest in Wiedenfeld's report discussed earlier, a central question for Germany in the last two years of the war was how to grapple with Germany's highly mediated relationship with its raw materials base. This was a strategic weakness that the German state could not simply ignore. Moreover, there were disquieting signs that Germany's access to raw materials after the war would be precarious, whether because of deliberate policy choices of enemy states, a balance of payments crisis, shipping difficulties, or a combination of all.<sup>26</sup> As the Economics Office concluded,

[t]he question of acquiring raw materials is one of the most crucial for the reconstruction of our economy. The solution is all the more difficult because we are reliant on supplies of essential materials from enemy countries or countries themselves dependent on our enemies. The enemy knows what a weapon it has against us. Their statesmen have repeatedly declared that they will make use of this weapon in the most brutal manner . . . By cutting the importation of raw materials, the life's blood of our industry would be eliminated, the spine of the German national economy broken and its reconstruction made impossible.<sup>27</sup>

The concern expressed in the Economics Office was a new one for German economic policy. Before the war, economics policy had revolved around tariffs as a tool to (1) protect German producers from the ill effects of international competition on domestic price levels; and (2) to open external markets to

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and political imagination is in Duncan Bell, *The Idea of Greater Britain, Empire and the Future of World Order, 1860–1900* (Princeton: Princeton University Press, 2007), 63–91.

<sup>23</sup> Earle, *Bagdad Railway*, 120–208.

<sup>24</sup> Nicholas A. Lambert, *Planning Armageddon: British Economic Warfare and the First World War* (Cambridge, MA: Harvard University Press, 2012); A.C. Bell, *A History of the Blockade of Germany and of the countries associated with her in the Great War: Austria-Hungary, Bulgaria and Turkey* (London: Her Majesty's Stationery Office, 1961), 632–44; Eric W. Osborne, *Britain's Economic Blockade of Germany, 1914–1919* (London: Frank Cass, 2004), 167–8.

<sup>25</sup> Henry Farrell and Abraham L. Newman, 'Weaponized Interdependence: How Global Economic Networks Shape State Coercion', *International Security*, 44, 1 (2019), 42–79.

<sup>26</sup> See, for example, BL R3101/7243 bl. 43 Niederschrift der Besprechung über die spätere Gestaltung der Devisenordnung am Sonnabend, den 9 Feb. 1918.

<sup>27</sup> BL R3101/20804 bl. 22 Schlußbericht zu der Zusammenstellung der Ergebnisse, die die bisherigen Erhebungen des Reichswirtschaftsamts über die Sicherung des Rohstoffbezugs gehabt haben 29.6.18.

German industrial exports.<sup>28</sup> By the later stages of the war, German policy makers had instead come to worry primarily about ensuring access to crucial imports.

The transition that Georg-Henri Soutou emphasises in 1917, from ‘theory’ to ‘practice’, marked the point at which tariffs and common markets ceased to be the central tool of the German state to ensure the expansion of German markets and capital. Early discussions of war aims had emphasised the construction of a customs union that would open up less powerful neighbouring states to German capital – *Mitteuropa* – a plan that gave pride of place to tariff barriers to German trade.<sup>29</sup>

While never abandoned, customs unions receded in significance from 1917. Tariffs played no role in the Treaty of Bucharest, for example, and debates about tariffs during negotiations of the Treaty of Brest-Litovsk focused on the extent to which the Soviet Union would be able to revise in its own interests the prewar trade agreement. Little surprise then that Foreign Secretary Paul von Hintze would argue in 1918 that ‘tariff regulations have long since lost their significance’.<sup>30</sup> The need to turn to ‘practical’ matters of peace making occurred as Germans became increasingly uncertain about the neutrality of markets. Intensifying ‘economic warfare’ and the increasingly powerful position of British and American capital around the globe encouraged Germans to look at economic policy not in terms of protecting German producers from inexpensive imports but rather in terms of tools to ensure German access to imports regardless of the efforts of political rivals. Tariffs and, by extension, customs unions were inadequate answers to such challenges.

To construct a position that would simultaneously secure the German industrial economy from the vagaries of a postwar economic war and control a territory for the long-term expansion of German capital required the familiar alliance of state and private capital. Such an alliance, it should be emphasised, did not mean that the state functioned as a straightforward agent of private capital interests. Representatives of the German state perceived the role of the state as distinct from that of private industry, as the guarantor of the system within which capital interests operated. This self-appointed role obviously created the foundation for cooperation with private capital, but it also meant that the state could identify interests that would be in conflict with those of individual private concerns.

The German state, for example, insisted that the oil companies owned and operated by Deutsche Bank and Disconto-Gesellschaft could not be trusted with control over the Romanian oil industry. As Paul von Koerner, Ministerial Director at the Foreign Office and a lead negotiator for the Treaty of Bucharest, argued, ‘the interests of the state and of the country as a whole . . . are difficult to reconcile with the interests of the banks and private corporations’.<sup>31</sup> The German state feared that the banks operating according to a simple profit motive would make Romania unreliable as Germany’s oil supplier. The Western states could simply offer higher prices, a version of wartime preemptive purchases, and thereby undermine the security in raw materials that Germany sought. As a consequence, rather than turning over oil properties to the German oil companies, the German state sought to construct a massive new oil company that would be dominated by the German state, much to the chagrin of Disconto Gesellschaft in particular. Dr. Georg Solmssen of Disconto Gesellschaft protested that the

<sup>28</sup> Torp, *Die Herausforderung der Globalisierung*; Rolf Weitowitz, *Deutsche Politik und Handelspolitik unter Reichskanzler Leo von Caprivi: 1890–1894* (Düsseldorf: Droste Verlag, 1978).

<sup>29</sup> See Fritz Fischer, *War of Illusion: German Policies from 1911 to 1914* (New York: W.W. Norton & Co., 1975), 6–8, 30–33, 237–91; Fischer, *Germany’s War Aims*, 247–9; Friedrich Naumann, *Mitteuropa* (Berlin: Verlag von Georg Reimer, 1916).

<sup>30</sup> BL R43/2449 bl 47–57, Aufzeichnung über die Fortführung des Auftrages von Excellenz Helfferich. Forwarded to Radowitz in Reichskanzlei, 8 Aug. 1918.

<sup>31</sup> BL R3101/1422 bl. 43–9 ‘Entwurf des Auswärtigen Amtes, abgeändert auf Grund der kommissarischen Beratung vom 15 Dez 1917’; BL R3101/1890 bl. 158–68 Helfferich memorandum of 19 Feb. meeting; BL R704/71 bl. 45–7, 99 Report of 18 Feb. 1918 discussions, Herr von Rosenberg to Herr Göppert, 22 Mar. 1918; Gerald D. Feldman, ‘German Business Interests and Rumanian Oil in the First World War’, in Roland Schönfield, ed., *Germany and Southeastern Europe – Aspects of Relations in the Twentieth Century* (Munich: Südosteuropa-Gesellschaft, 1997), 23–6. Further examples of state suspicion of private oil interests in BL R3101/33151 bl. 15–20 Aufzeichnung einer Besprechung am 6. Dez betr. Liquidation feindlicher Rohölunternehmungen in Rumänien; BL R3101/7744 bl. 44–8 ‘Aufzeichnung über die Fortsetzung der Besprechung über Liquidations feindlicher Erdölunternehmungen in Rumänien.’ 8 Dec. 1917.



oil industry 'perhaps more than any other industry required private initiative and administration. It is all but impossible to guide such a company toward stability and profitability under state direction'. He expressly argued that a company that operated in order to protect either German consumers or the Reich's fiscal position would fail.<sup>32</sup> The state asserted a general interest in preserving a system or national interest and their right to take action to do so, a position which called into question the notion of a self-correcting, self-stabilising market and cast transnational markets as sources of danger.

More commonly, however, the state operated closely with German capital interests. The alliance between German capital and the German state to refashion the European raw materials markets was a sweeping policy goal, which was expressed in a remarkable diversity of lands and venues. The variety and extent of German efforts to capture infrastructures and sources of raw materials suggests a common set of assumptions across the German policy-making apparatus. This consensus manifested itself in a number of fashions. The most overt form was in the forcible transfer of properties from Western owners to German owners. In the case of Serbia, for example, Bulgarian forces conquered southern Serbia and claimed the territory for itself. The German Army's railroad division quickly began making inquiries about specific Belgian mining companies with coal interests in southern Serbia in spring 1917.<sup>33</sup> Meanwhile, the Foreign Office was particularly interested in French-owned copper mines at Bor. The German government actively solicited the interest of Deutsche Bank for some of the coal mines, arguing that since they were close to the banks of the Danube they would be perfectly placed for the Bavarian Lloyd's Bulgarian affiliate.<sup>34</sup>

The occupation authorities in Belgium helped identify the Belgian companies and their relevant legal structures, and the Foreign Office put pressure on the Bulgarian government, to which Germany intended to pass southern Serbia at war's end. Ultimately, the Foreign Office prevailed on Bulgaria to extend its legal system to southern Serbia during the war in order to expropriate Western mining interests (in violation of international law). The Bulgarian government then passed those mines to German banks.<sup>35</sup> Germany also sought to have the Ottoman Empire nationalise Entente commercial properties within the empire and then sell those enterprises to private, preferably German, interests.<sup>36</sup> Similarly, the Reich sought to have the newly created Transcaucasian state nationalise existing mining enterprises and either turn them over to a company owned jointly by Germany and Transcaucasia, or transfer the mines to a consortium of German interests organised by Disconto Gesellschaft. 'Through this transaction', explained the diplomat Frederic von Rosenberg to a Crown

<sup>32</sup> For proposals by Deutsche Bank and Disconto, see BL R31010/7744 bl. 67–74, 44–8 'Vorschläge über Konsolidierung der deutschen und rumänischen Interessen in der rumänischen Petroleum-Industrie unter Zusammenwirken der Regierung der beiden Länder und Beteiligung von Oesterreich-Ungarn', 24 Nov. 1917, 'Aufzeichnung über die Fortsetzung der Besprechung über Liquidation feindlicher Erdölunternehmungen in Rumänien', 8 Dec. 1917. For state proposals, see BL R3101/1422 bl. 43–9 'Entwurf des Auswärtigen Amts, abgeändert auf Grund der kommissarischen Beratung vom 15 Dez 1917'; BL R3101/1890 bl. 40–7 III. Teil Wirtschaftliche Sicherungen; BL R3101/1890 bl. 66–70 Anlage 1. A. Forderungen betreffend die Erdölindustrie; BL R704/71 bl. 51–5 Staatssekretär des Reichsschatzamt to Helfferich, 2 Mar. 1918; BL R3101/1891, bl. 360–62 Petroleum Abkommen. For Solmssen's response, see BL R3101/1891 bl. 40–57 Dr. Georg Solmssen to Wirklich Geheimrat Körner, 5 Mar. 1918.

<sup>33</sup> BL R 3101/902 bl. 3 Report, Chef des Feldeisenbahnwesens, 'Bergwerkproduktion Serbiens', 24 Apr. 1917; BL R 3101/902 bl. 15 Report 'Anfrage wegen belgischer Bergwerks-Gesellschaften in Serbien, östlich der Morava', 18 Apr. 1917; BL R 3101/902 bl. 151 'Denkschrift betr. den Erwerb der Kohlen- und Erzvorkommen in dem serbischen Gebiet östlich der Morawa', Chef des Feldeisenbahnwesens, 3 May 1917.

<sup>34</sup> BL R 3101/902 bl. 205 Besprechung am 5 Mai 1917 mit Herrn von Stauss von der Deutschen Bank. Deutsche Bank was an investor in Bavarian Lloyd, a shipping company.

<sup>35</sup> BL R 3101/902 bl. 188 Ergebnis der Besprechung zwischen Seiner Exzellenz dem Bulgarischen Ministerpräsidenten Herrn Dr. Radoslawow und dem Staatssekretär des Auswärtigen Amtes Herrn Zimmerman, 8 June 1917; BL R 3101/902 bl. 259 Telegram Oberdorff to von Rosenberg, 5 Apr. 1918; BL R 3101/902 bl. 246 Salomonsohn to State Secretary von Stein, 9 Jan. 1918; BL R 704/85 bl. 2–4 Disconto Gesellschaft to Helfferich, 18 Apr. 1918.

<sup>36</sup> Ulrich Trumppener, *Germany and the Ottoman Empire, 1914–1918* (Princeton: Princeton University Press, 1968), 331–3.

Council in July 1918, 'we win influence over Georgian raw materials, above all the crucial manganese ore'.<sup>37</sup>

Perhaps the clearest example of direct collaboration between the state and private interests was the Bavarian Lloyd. The Bavarian Lloyd was a steamship company established by the Bavarian state and south German financial and commercial interests slightly before the war to encourage trade between Bavaria and the Balkans along the Danube River. Over the course of the war, the Reich government became a major participant (as did Deutsche Bank) in the steamship company as it began to grow rapidly. The Bavarian Lloyd was actively engaged in the transportation of grain and petroleum north from Southeast Europe to Germany. The participation of the Bavarian state government as well as the Reich reflected the interest both had in ensuring a dense infrastructure network tying Germany to the Balkans.<sup>38</sup> As the Bavarian Ministry of Finance argued, 'shipping companies are more or less power instruments in the economic policies of their nations'.<sup>39</sup>

The role of the German state in ensuring access to European strategic raw materials was in no way limited to such blunt measures. One crucial means of ensuring that German capital had more secure access to the raw materials of Europe was to reshape the legal and financial systems of Eastern Europe.

There was, for example, considerable support for a new Danube Treaty (first proposed in spring 1917), which would exclude non-riparian states (i.e. Great Britain and France), increase German influence by including Bavaria and perhaps Württemberg as voting members in the organisation tasked with overseeing the Danube, and create a common set of regulations and tolls for commerce on the Danube, creating a 'united interior waterway'.<sup>40</sup> The Reichsbank, meanwhile, insisted that not only should the Baltic successor states adopt the mark as a currency, but they should accept the Reichsbank as their central bank. Moreover, they would need to adopt German banking legislation as their own. In this way, money and capital would flow across the political borders with no difficulties. The German state was seeking to shape market institutions to encourage the flow of money, and therefore resources, into politically desirable channels.<sup>41</sup>

Similarly, German authorities sought to facilitate the reorientation of Polish and Ukrainian economies away from Russia and toward Germany by introducing new currencies that would, to varying degrees, be connected to the mark. The occupation government in Warsaw, for example, launched a new Polish currency, the Polish mark, which would be issued by a German-owned bank, the *Polnische Darlehnskasse* (Polish Loan Society). The Polish Loan Society was launched with money from the Reichsbank and staffed by Germans.<sup>42</sup> The German state sought the cooperation of private German banks for a wider financial penetration of Poland, which 'would be necessary for both the reconstruction of the German economy after the war as well as the strongest tool to chain the Kingdom of Poland

<sup>37</sup> 'Entwurf eines Vertrages zwischen Deutschland und der Türkei einerseits und Transkaukasien andererseits', *Europastrategien des deutschen Kapitals, 1900–1945*, ed. Reinhard Opitz (Köln: Pahl-Rugenstein Verlag, 1977), 441–2; 'Protokoll der Kriegszielbesprechung zwischen Reichsregierung und Oberster Heeresleitung unter Vorsitz von Kaiser Wilhelm in Spa', 2/3 July 1918, *Europastrategien des deutschen Kapitals*, 457. See also BL R 704/63 bl. 4 meeting chaired by Staatsminister Helfferich, 22 Apr. 1918.

<sup>38</sup> Bayerische Hauptstaatsarchiv (BayHStA) MWi 9003 4th Geschäftsbericht of the Bay Lloyd – 1916; BayHStA MWi 9003 Erster Geschäftsbericht des Bayerischen Lloyd Schiffahrts-Aktiengesellschaft for 1917; BayHStA MF 67588 Kongl. Staatsm. des Koenigl. Hauses und des Aeußern an Staatsministerium der Finanzen, 20 May 1916; BayHStA MF 67588 Böhm to Staatsministerium des Koengl. Hauses und des Außern, 15 Aug. 1916; BayHStA MF 67588 Bay. Lloyd to Bav. Ministry of the Royal Household and of Foreign Affairs, 28.10.16; BayHStA MF 67588 Bay. Lloyd to 'Kaiserliches General-Gouvernement Bukarest', 23 Dec. 1916; BayHStA MF 67588 Hertling to Bavarian Consul in Berlin, 4 Apr. 1917.

<sup>39</sup> BayHStA MF 67588 Bav. Fin. Min. to Hertling, 5 Feb. 1917.

<sup>40</sup> BL R5/1596 Bav. Minister President Hertling to AA, Interior, 17 Apr. 1917; BL R5/1596 Preliminary meeting for 9 Aug. meetings in Vienna, held 1 Aug. 1917.

<sup>41</sup> BL 3101/881 bl. 2 Reichsbank-Direktorium to Staatssekretär des Reichswirtschaftsamts, 16 Apr. 1918; BL R3101/881 bl 16 Entwurf eines Bündnis-Vertrags geschlossen von dem Deutschen Reiche, dem Herzogtum Kurland, und dem Großfürstentum Litauen.

<sup>42</sup> BL R 3101/900 bl. 15 Der Reichsbevollmächtigte bei der Polnischen Landes-Darlehnskasse Geschäftsbericht nach zwei Monaten, 11 July 1917; BL R 3101/900 bl. 206 Erster Geschäfts-Bericht des Vorstandes der Polnischen Landes-Dahlehnskasse für die Zeit vom 26. April – 31. Dezember 1917, Mar. 1918.

and its interests to Germany'.<sup>43</sup> The German Reichsbank also played a significant role in establishing a new Ukrainian currency, which was to detach the Ukrainian economy and its grain, coal, manganese and platinum from Russia and tie it to Germany.<sup>44</sup> The Reichsbank even proposed removing the Belgian franc from the Latin Monetary Union and introducing a currency union with Germany.<sup>45</sup> The creation of a sort of 'mark zone' would have reduced currency risk and facilitated trade and investment for German capital interests, thereby ensuring German access to the region's exports.

Much as German policy in the last two years of the war was oriented toward constructing a legal, commercial and financial infrastructure that would facilitate specifically German access to raw materials, Germany was also quite focused on physical infrastructure. German policy makers wanted to have German oversight officials inserted into the administrations of Romanian and Polish railways, and hoped that German private industry might at some point purchase the Ukrainian railroads and perhaps participate in ownership of the Polish railways.<sup>46</sup> Germany proposed trading money and material for the reconstruction of Ukrainian railways for commitments to offer preferential rates for exports to and through Germany.<sup>47</sup> Germany also sought to leverage support for the independence of Transcaucasia into majority control of Caucasian railways and ports.<sup>48</sup>

The German state also began exploring the possibilities for expanded canal and river networks. These encompassed plans for canals inside Germany, such as proposals to link the Neckar and Main Rivers to the Danube, as well as improvements in the Danube outside Germany.<sup>49</sup> The German government was also interested in improvements to the Daugava River and other waterways in the Baltic region that would deepen links between the Baltic coast and the Russian interior.<sup>50</sup> The Reich's interest in waterways extended to acquiring the harbour facilities in Romania, ports that would tie Romanian regional economies to Germany.<sup>51</sup>

<sup>43</sup> BL R704/52 bl 79 Aufzeichnung über die am 12. Dezember 1917 mittags 12 Uhr in den Räumen der Reichsbank unter Vorsitz des Herrn Reichsbankpräsidenten stattgehabte Besprechung, betreffend eine von deutschen Großbanken gemeinsam zu gründende polnische Bank.

<sup>44</sup> BL R3101/1168 bl 20 Niederschrift über ein Wirtschaftsabkommen zwischen dem ukrainischen Staate einerseits sowie Deutschland und Österreich-Ungarn andererseits für Wirtschaftsjahr 1918/19, 10 Sept. 1918; BL R901/87031 bl 57 Wiedfeldt to Reichswirtschaftsamt, 12 July 1918.

<sup>45</sup> BL R3101/875 bl. 4 Aufzeichnung über die Besprechung im Reichsamt des Innern vom 27. Mai 1916 über eine Währungsunion mit Belgien nach dem Krieg; R704/98 bl. 7 Staatsrechtliche und wirtschaftliche Friedensbedingungen betreffend Belgien. Der Stellvertreter des Reichskanzler, 7 Sept. 1917.

<sup>46</sup> For Polish railways, see BL R43/247 bl. 40 Aufzeichnung über die Ergebnisse der am 3. und 4. Nov. 1917 abgehaltenen Beratung über die polnische Frage; BL R703/15 bl 62 Leitsätze für die Behandlung der Frage der wirtschaftlichen Annäherung zwischen dem Deutschen Reich und Österreich-Ungarn; R703/12 bl. 66 Minister der öffentlichen Arbeiten von Breitenbach to AA, RWA, RSA, Koerner, von Payer, etc., 2 July 1918. Romanian railroads, see BL R3101/1890 bl. 75–6 'Anlage 3 – Forderungen betreffend die rumänischen Eisenbahnen'; BL R3101/1890 bl 91–104 Untitled commentary on peace proposals, possibly written by K. Helfferich; BL R3101/1890 bl. 136 Ludendorff to Helfferich, 24 Feb. 1918. For Ukrainian railroads, see BL R3101/1168 bl. 135 Niederschrift der Besprechung über Fragen der Wirtschaftspolitik in Gross-russland und der Ukraine am Dienstag, den 4. Juni 1918; BL R3101/1168 bl 259 AA to RWA, 18 Mai 1918; BL R 3101/1098 bl. 152 ZEG Denkschrift, 'Vorschläge für die Erneuerung des Wirtschaftsabkommens mit Oesterreich-Ungarns', Submitted to RWA on 4 July 1918; BL R 3101/1098 bl. 170 Anlage 5 – 'Vorschläge zu einem Abkommen über wirtschaftliche Auswertung'.

<sup>47</sup> BL R3101/1168 bl 186 Entwurf für das neue Wirtschaftsabkommen mit der Ukraine, 3 July 1918.

<sup>48</sup> 'Entwurf eines Vertrages zwischen Deutschland und der Türkei einerseits und Transkaukasien andererseits', *Europastrategien des deutschen Kapitals*, 441–2.

<sup>49</sup> David Hamlin, 'Water and Empire', *First World War Studies*, 3, 1 (2012), 65–85.

<sup>50</sup> BL R3101/881 bl 16 Entwurf eines Bündnis-Vertrags geschlossenen von dem Deutschen Reiche dem Herzogtum Kurland dem Großfürstentum Litauen; BL R2/1703 bl. 18 Verkürzter Entwurf, aufgestellt im Auswärtigen Amt Dezember 1917. Anlage B. Für den Friedensvertrag mit Rußland. Modifizierte Wiederinkraftsetzung des Handelsvertrags; BL R901/81068 bl. 170 Handelskammer Lübeck Memo, Feb. 1918.

<sup>51</sup> BL R 704/74 bl. 19–22 Bayerische Lloyd memo forwarded to Albert of Büro Helfferich; BL R 704/74 bl. 17 'Bestimmungen über die Donau', Besprechung; BL R 704/74 bl. 28–9 Aufzeichnung über die am 18. März Besprechung betr. Bestimmungen über die Donau; BL R 704/74 bl. 46–51 Ludendorff wire to Helfferich, 25 Apr. 1918; R3101/0845 bl. 43 11 April 1918 Report to Staatssekretär Reichswirtschaftsamt from Scharmer.

The German state repeatedly articulated a clear strategic goal of controlling infrastructures linking German industry to politically reliable sources of raw materials. The strategic goal encompassed not merely ‘war aims’, in the sense of terms to be asked of defeated opponents, but extended to an encompassing effort to refashion markets in Central, Eastern, and Southeastern Europe. In seeking to address the prewar German economy’s dependence on the ‘great frontier’, Germans reached for a German alliance of state and capital to dominate European markets.

### Nationalism, Governmentality and the Limits of German Imperialism

As Charles Maier has emphasised, in the nineteenth century the United States and the British Empire employed an alliance of state and private capital to appropriate resources through ‘spatial enclosures’ to create zones of ‘law and control’. During the First World War, the German state sought to expand its own influence over systems of raw materials production and distribution, with an eye toward both securing their own sources of supply and intensifying existing production.<sup>52</sup>

Germany was unlikely, however, to acquire sovereignty over huge new territories. Wide annexations would require the sort of decisive military victory that eluded the German army. Moreover, even the most sweeping annexation plans in 1917 would have been inadequate resolutions to Germany’s raw material difficulties if the Allies persisted with an economic war after the war.<sup>53</sup> But there were other considerations as well.

The First World War took place at a remarkable moment in which empires both mobilised and feared colonial and subject nationalisms. Joshua Sanborn has recently characterised the First World War as the first great moment of decolonisation, when the multiethnic empires began to visibly fray and alternative identities and alternative structures for organising political power rapidly developed.<sup>54</sup> Across the Russian Empire, Austria-Hungary and the Ottoman Empire, the gradual erosion of power at the centre became the occasion for the emergence of nationalities as vehicles for political and administrative domination. Germany consciously sought to profit by encouraging subaltern nationalisms. From Indian independence movements to Ukrainian nationalists, German policy makers encouraged the ambitions of colonial nationalist movements in an effort to undermine the multinational empires arrayed against them.<sup>55</sup> At the same time, many Germans were reluctant to endanger the German character of the German Empire by annexing large numbers of non-Germans into the Reich.<sup>56</sup>

As a consequence of these considerations, many German elites (particularly in the Foreign Office and Reichstag) saw the possibilities for German territorial expansion as limited, regardless of the programmes of the Pan-Germans. With these considerations in mind, German policy makers (especially outside the military) were largely open to seeking alliances with local elites that would balance local desires for autonomy with German imperial and economic interests.

<sup>52</sup> Maier, *Once within Borders*, 236–47.

<sup>53</sup> See David Stevenson, *War, Peace & Revolution* (Oxford: Oxford University Press, 2017), 234–70.

<sup>54</sup> Joshua A. Sanborn, *Imperial Apocalypse: The Great War and the Destruction of the Russian Empire* (Oxford: Oxford University Press, 2014). See also Sanborn, ‘The Russian Empire’, in Robert Gerwarth and Erez Manela, eds., *Empires At War, 1911–1923* (Oxford: Oxford University Press, 2014), 98–108. Erez Manela has written persuasively about the power of Wilson’s ideas inside the empires of his allies in this ‘Wilsonian Moment’ in Erez Manela, *The Wilsonian Moment: Self-Determination and the International Origins of Anticolonial Nationalism* (Oxford: Oxford University Press, 2009).

<sup>55</sup> Fritz Fischer, *Germany’s Aims in the First World War*; Jennifer Jenkins, ‘Fritz Fischer’s “Programme for Revolution”: Implications for a Global History of Germany in the First World War’, *Journal of Contemporary History*, 48, 2 (2013), 397–417; Mark von Hagen, *War in a European Borderland: Occupations and Occupation Plans in Galicia and Ukraine, 1914–1918* (Seattle: University of Washington Press, 2007); Jenkins, ‘Germany’s Eurasian Strategy’, 297–301. For German anti-imperial efforts in British Empire, see Heather Streets-Salter, *World War One in Southeast Asia: Colonialism and Anticolonialism in an Era of Global Conflict* (Cambridge: Cambridge University Press, 2017); Kris K. Manjapra, ‘The Illusions of Encounter: Muslim “Minds” and Hindu Revolutionaries in First World War Germany and After’, *Journal of Global History*, 1, 3 (2006), 363–82.

<sup>56</sup> Tooze, *The Deluge*, 108–170; Wilhelm Ribhegge, *Frieden für Europa. Die Politik der deutschen Reichstagsmehrheit 1917/18* (Berlin: Reimar Hobbing, 1988).

German policy appeared to confront a dilemma. Germany would not expand in the way that the British and American states had in the nineteenth century; it would not enclose territory and guide extraction and development along politically desirable lines. Yet, state action was a necessary part of constructing the market space that would reduce Germany's dependence on Anglo-American sources of raw materials. As a result, the German state came to depend on acting through other states. Acting through other states made the sort of enclosure and the creation of a 'domain of law and domination' into subjects of interstate negotiation. Germany committed itself to a policy of limiting or hollowing the sovereignty of other states and extending Germany's sovereignty into other states. This new alliance between state and capital would be an awkward one, in which the German state sought to use the authorities and privileges of other states to facilitate the interests of German capital, and then relied on the influence of German capital to ensure the loyalty of those states. Such a policy seemed practical to German policy makers who believed that control over infrastructures implied substantial influence over economies and therefore states.

The most obvious vehicle for this sort of action was the peace treaty. Germany used or sought to use the unique circumstances of wartime, the negotiating strength bequeathed by military victory, to force other states to enter into effective alliances with German capital and the German state. This is most clear when, for example, the Treaty of Bucharest included terms liquidating Western oil companies operating in Romania and the transfer of those assets to a German company which included German banks and the German state as the dominant capital participants (though with shares reserved for the Austro-Hungarian state and the Romanian state). The treaty also created the conditions for German domination of domestic Romanian petroleum markets, Romanian railroads, and a dominant role for the Central Powers in shipping on the lower Danube. The Treaty of Brest-Litovsk was perhaps less overt, but it clearly committed the new Russian state to securing the market conditions necessary for German capital to operate inside Russia.<sup>57</sup>

Peace treaties were not, however, the only vehicle for pursuing the larger strategic goal. Creating a more secure position in global raw materials markets was not something pursued haphazardly because Germany happened to be waging war against some countries that serendipitously had valuable resources. Rather, Germany pursued a coherent strategy that involved, for example, viewing its most important ally, Austria-Hungary, as a market for German capital and the Danube through Austria-Hungary as a vital commercial artery that must be deepened and improved. To that end, Germany exerted enormous pressure on Austria-Hungary to commit itself to the expensive civil engineering projects necessary to facilitate German commerce with Southeast Europe (and Ukraine), especially the heavy bulk transportation of commodities, such as grain, ores and petroleum. 'It is clear that the Danube cannot remain as it was', they told the Habsburgs.<sup>58</sup> In addition, the German state pursued a customs union with Austria-Hungary, despite some misgivings from German private industry. The customs union was intended to open up a political ally to the operations of German capital, partly as a market for German industrial products but also as a source of raw materials. As the Prussian Finance Minister argued, 'if we unite with Austria-Hungary into a single economic region, it seems to me all but self-evident that we will support one another in securing raw materials. The raw materials question will be as important, probably more important, than the tariff question'.<sup>59</sup> Similarly, as we have seen,

<sup>57</sup> Feldman, 'German Business Interests and Rumanian Oil in the First World War'; David Hamlin, *Germany's Empire in the East: Germans and Romania in an Era of Globalization and Total War* (Cambridge: Cambridge University Press, 2016); the commercial terms of the Treaty of Brest-Litovsk are Sub-Appendix 1 of the 2nd Appendix, Treaty of Brest-Litovsk, BL R2/1703 bl. 236.

<sup>58</sup> BL R5-1596 Programme for discussions in Vienna, 9 Aug.; BL R5-1596 Aufzeichnung for Aug negotiations in Vienna over Danube, Dr. Johannes, 14 Aug. 1917; Österreichische Kriegsarchiv (OKA) AOK Qu-Abt. 2584 1918 Rumänien Aufzeichnung über interministerielle Besprechung betr. Schifffahrtsfragen, 15 Oct. 1917. Quotation is from OKA AOK Qu-Abt. 2584 1918 Rumänien Aufzeichnung über Besprechungen zwischen De. und Ö-U betr. Schifffahrt, 15, 16, 18, 19, 20 Oct. 1917.

<sup>59</sup> BL R703/16 bl 51 Prussian Finanzminister to Minister der Auswärtigen Angelegenheiten, copies to Reichskanzler, Schatzamt, Wirtschaftsamt, Ministerium von öffentlichen Arbeit, Handel und Industrie, Landwirtschaft, Domänen, von Payer, 8 Aug. 1918.

Germany depended on the actions of the Bulgarian state to secure mines in southern Serbia for acquisition by German capital interests.

Other states had to be persuaded or coerced to act as local proxies of the German state in constructing a 'circulatory state'. States were asked to accept German legal and financial systems, to agree to German domination of transportation systems, to undertake expensive infrastructure programmes and to transfer ownership of enterprises to Germans.

German strategic aims were dependent on the willingness and ability of other states and nations to cooperate. The value of conquered Romania and allied Bulgaria, for all their differences in political status, was in part their resources, but also lay in the fact that they possessed functioning state apparatuses, unlike the successor states of the Russian Empire which were scrambling to establish the 'domain of law and control'. The Central Powers, for example, were able to extract almost two million tons of grain from Romania between January 1917 and May 1918; by contrast, Ukraine exported a total of 113,400 tons of grain to the Central Powers. The extractive regime in Romania depended on swiftly reconstructed rail lines and ports, but also on established Romanian banking and financial systems, not least an established currency. The Germans used extensions of the Romanian central bank to finance planting, with the prospective harvest as collateral, thereby encouraging farmers to cooperate with compulsory sales (in an established Romanian currency) to authorities at harvest. The peace terms imposed on Romania, meanwhile, were harsher than those imposed on Ukraine or Russia, a fact which cannot be explained by excessive affection for Ukrainians and Russians but rather reflected German estimations of the ability of the Romanian state to sustain more onerous terms.<sup>60</sup>

The gravest difficulties facing the extension of German influence were in areas in which the local state could not or would not cooperate with the German state in creating the conditions necessary for German capital to thrive. In the former Russian Empire, where the German imperial imagination was given freest reign, the collapse of the Russian state created enormous hurdles to the effective construction of German-dominated markets. In Ukraine, for example, the weakness of the Ukrainian state repeatedly frustrated German policy.

Ukraine had multiple sources of value to Germany. It had a clear political and military value simply by existing as a state separate from Russia. More than that, however, German statesmen saw Ukraine as a source of food and raw materials in the short and long term. The immediate acquisition of grain to feed the hungry and politically fractious cities of Central Europe was an obvious goal. The Kaiser put it bluntly: 'we went into Ukraine to get food'.<sup>61</sup> But German planners hoped to construct a deeper economic relationship than the Kaiser's statement might suggest. The crucial German figures on the scene, the economics office's representative in Kiev, Otto Wiedfeldt, and the German ambassador, Alphons Mumm von Schwarzenstein, argued passionately that there were 'enduring advantages for the German economy . . . if [certain sectors of the Ukrainian economy] could be brought under German influence'. Wiedfeldt thought that Ukraine was a uniquely valuable partner since it was both a 'raw materials land' that could supply German industrial centres with food and industrial raw materials, and a consumer market for German industrial goods. Ukraine was particularly significant because it offered markets independent of British influence, understood quite broadly to include markets ranging from South America to China. To realise this vision, Wiedfeldt and Mumm hoped to use private and public resources to purchase transportation systems ('in order to secure decisive influence over Ukrainian transportation in the widest sense'), banks and mines.<sup>62</sup> Representatives of German banks and industry met to discuss the practical requirements 'to secure Germany a future

<sup>60</sup> Hamlin, *Empire in the East*, 179–241; Watson, *Ring of Steel*, 497; Hamlin, 'Economic War and Economic Peace: Germany Reconstructs an Economic Order in Ukraine and Romania, 1918', *Central Powers in Russia's Great War and Revolution*, 233–57.

<sup>61</sup> 'Protokoll der Kriegszielbesprechung zwischen Reichsregierung und Oberster Heeresleitung unter Vorsitz von Kaiser Wilhelm in Spa', 2/3 July 1918, *Europastrategien des deutschen Kapitals*, 454.

<sup>62</sup> BL R3101/1168 bl 313 Wiedfeldt to Staatssekretär des Reichswirtschaftsamt, 7.5.18; BL R3101/1168 bl 259. AA to RWA, 18 May 1918. More generally, see Peter Borowsky, *Deutsche Ukrainepolitik 1918: Unter besonderer Berücksichtigung der Wirtschaftsfragen* (Lübeck: Matthies Verlag, 1970).

economic primacy in the territory of the former Russian Empire. It is a matter of ensuring influence on the great transportation systems (railways, in particular the great trunk lines running east and the waterways).<sup>63</sup>

There were, however, multiple difficulties that obstructed the realisation of such a plan. As Peter Lieb points out, 'corruption, mismanagement, and unbridgeable differences' paralysed the 'granary of the Tsarist Empire'.<sup>64</sup> The difficulties that Ukraine encountered in governmentality effectively prevented it from serving the role of local proxy, and thereby limited the ability of the German state to facilitate and maximise the extraction of raw materials.

This is most clearly seen through the prism of Ukrainian currency. The difficulties with Ukrainian money undermined Ukrainian market institutions – banks, for example – as well as German efforts to purchase material.<sup>65</sup> The Ukrainian state's difficulties, rooted in part in its inability to effectively tax its population, meant that money was of limited value, peasants were reluctant to sell their products, industrial labour militancy increased and necessary repairs on the railroads and rail equipment were ignored. The centrality of financial infrastructure and state crisis was highlighted by German reports, which emphasised repeatedly that Ukrainian farmers had ample food but simply refused to sell because the Ukrainian state was unable to create the financial structures that would encourage exchange. German efforts to underwrite a new Ukrainian currency had little immediate impact.<sup>66</sup> The difficulties in Ukraine extended beyond currency and fiscal problems, beyond labour militancy. Widespread violence, ranging from the war between Whites and Reds, to widespread pogroms against Ukrainian Jews, to inter- and infra-village battles, undermined the functioning of the Ukrainian state and the capacity of Germans to colonise Ukrainian market space.<sup>67</sup> The weakness and institutional incapacity of the nascent Ukrainian state undermined German policy goals in the short term and called into question their capacity to facilitate and direct the flow of raw materials in the way that Germans hoped and expected. It bears emphasising that German policy, from the war to encouraging a Bolshevik revolution to promoting Ukrainian independence to intervening in Ukrainian politics, did much to encourage the disintegration of state institutions.

The difficulties created by the underdeveloped structures of Ukrainian governmentality were substantially more complex in the case of the newly created Soviet Union. There, disintegrating state structures combined with civil war and a desire to limit sharply the influence of foreign capital to create a region deeply inimical to German policy goals.

German planners saw Russia very much as a central element in their effort to stabilise their sources of raw materials. Expanding access to Russia was a 'matter of life and death', argued the State Secretary of the Economics Office, von Stein.<sup>68</sup> For many leading Germans, Russia was to provide a resource base to offset the current and future hostility of the Anglo-Americans. The War Committee of German Industry, for example, insisted that Russia must allow German agents to operate in Russia, sign accelerated raw material delivery agreements, expand navigable waterways, resume the legal

<sup>63</sup> 'Niederschrift über den Stand der Verhandlungen zur Gründung eines Finanzierungssyndikats für den Osten' May 1918, *Europastrategien des deutschen Kapitals*, 445–6.

<sup>64</sup> Lieb, 'German Politics in the East', 271–2.

<sup>65</sup> BL R704/52 bl. 110 Report of Kommerzienrat Alfred Cohn, 17 Mar. 1918; BL R3101/1168 bl 13 Niederschrift über die Sitzung im Reichswirtschaftsamt vom 21 Sept. 1918 über die Ukraine; BL R3101/1168 bl 178 Reichsbank Direktorium to Staatssekretär des Reichswirtschaftsamt, 26 July 1918; BL R3101/1168 bl 196 Wirtschaftliche Lage in der Ukraine Anfang Juli 1918, 12 July 1918.

<sup>66</sup> BL R3101/1168 bl 217 Vertrauliche Bericht des Öst.-Ung. Handelsministerium; BL R3101/1168 bl 223 Travel report of H. Warning, 28 June 1918; BL R901/87031 bl. 155 Reichswirtschaftsstelle bei der Deutschen Ukraine Delegation to Staatssekretär des Reichswirtschaftsamt, 1 Aug. 1918; BL R 3101/1096 bl. 14 Letter from Deutsche Ukraine-Delegation to State Secretary, RWA, 8 Apr. 1918. Also, Wolfram Dornik, 'Die Wirtschaftliche Ausnutzung', *Die Ukraine*, 285; Frank Golczewski, 'Das ukrainische Reichsbank-Guthaben von 1918', *Jahrbücher für Geschichte Osteuropas*, 39, 3 (1991), 364–99.

<sup>67</sup> Felix Schnell, *Räume des Schreckens. Gewalt und Gruppenmilitanz in der Ukraine, 1905–1933* (Hamburg: Hamburger Edition, 2012), 191–244.

<sup>68</sup> BL R901/81077 bl 159 Staatssekretär von Stein to Reichskanzler, 28 June 1918.

protection of patents and copyrights, and other concessions intended to protect German access to Russian markets. Similarly, Karl Helfferich, charged with coordinating the economic terms of the peace treaties, tied the supply of Russian raw materials very firmly to the resolution of financial questions around debts and payments systems and the acquisition of positions of influence over Russian infrastructure (particularly railways, waterways and harbor facilities).<sup>69</sup>

German hopes that they might take control of the infrastructure of circulation in the Soviet Union, or at least that the Soviet state would ensure that German commercial agents could operate unproblematically in the Soviet Union, were frustrated in multiple ways. The simplest and least significant problem was the reluctance of the Bolsheviks to facilitate market operations in the Soviet Union, particularly those of foreign nationals. This was most visible in the introduction of a state monopoly on foreign trade as well as the gradual nationalisation of the banking sector. On 22 April 1918, the Council of People's Commissars issued a decree, 'On the Nationalization of Foreign Trade', which was intended to bring imports and exports under state control. The Commissar for Foreign Trade, M.G. Bronski, at several points emphasised the bedrock nature of state control over foreign trade in a socialist state.<sup>70</sup> Meanwhile, the nationalisation of first the State Bank of Russia, and then major private banks, resulted in a banking sector short on cash and personnel, unable to transfer large sums, and thus with almost no ability to finance commerce or investment.<sup>71</sup> The new regime in Russia appeared distinctly unwelcoming to the sort of commercial and infrastructural projects Germany sought elsewhere.

Despite the Soviets' hostility to internal markets, it is possible to imagine that some level of trade and cooperation would still have been possible for Germans to secure raw materials directly from the Soviet state as it was able to later in the century,<sup>72</sup> if the Soviet state had been a functioning apparatus of domination in 1918. Instead, the developing civil war and general collapse of state authority complicated even the simplest exchange.

W. Steingrube's effort to find Siberian butter for possible export to Germany may function as an example of the difficulties obstructing German goals. Steingrube had been sent to Russia in May by the Central Purchasing Agency, arriving in Moscow on 13 May. Passport difficulties held him in Moscow for just over two weeks, until 28 May. During that time, Steingrube met with Siberian merchants who reported that butter production continued apace, with something like 4 million Pud (more than 144 million pounds) expected to be produced in 1918. Once he left Moscow for Omsk, Steingrube encountered far more serious difficulties. The trip from Volgoda to Tyumen was only possible because he had been attached to a commission charged with protecting prisoners of war in the Omsk region. The commissar travelling with that commission ensured that Steingrube's party could actually board the few trains actually running. Even so, it took nine days to travel from Moscow to Tyumen. At Tyumen, Steingrube learned that further travel by railroad was impossible because of constant artillery fire. They continued to Omsk by steamship, only to encounter the Soviet government of Omsk steaming in full flight in the other direction. At that point, Steingrube felt that it was no longer reasonable to

<sup>69</sup> BL R2/1703 bl. 209 Kriegsauschuß der deutschen Industrie to Reichskanzler von Hertling, 6 Feb. 1918; BL R704/52 bl. 153 Helfferich Report, 5 June 1918. See also, BL R901/81068 bl 12 Verein Deutscher Eisen- und Stahl-Industrieller to Staatssekretär des Reichswirtschaftsamt, 13 Dec. 1917. Much of this was in fact agreed in the appendices to the Treaty of Brest-Litovsk, BL R2/1703 bl. 236 Treaty of Brest-Litovsk.

<sup>70</sup> Speech by Russian Trade Commissar, May 1918, forwarded by Count Mirbach on 19 May BL R901/81076 bl 6; Kaiserlich Deutsche Diplomatische Vertretung in Moskau (Dr. List) to Reichskanzler, 2 July 1918 BL R901/81077 bl 133; Zentral-Einkaufsgesellschaft Report, forwarded to von Landmann in Auswärtigen Amt, 3 June 1918 'Bericht über die Wiederherstellung der Handelsverbindungen' BL R901/81076 bl 93. More generally, see Peter Gatrell, *Russia's First World War: A Social and Economic History* (Harlow: Pearson Education, 2005), 221–39.

<sup>71</sup> Hans Ploeger to Helfferich, 4 May 1918, forwarding report for Petersburg banks dated 17 Mar. 1918 BL R704/52 bl. 161; Bankbericht No. 1, Moscow, 19. (6) Apr. 1918 BL R901/81075 bl. 148; Boettke, 'The Political Economy of Utopia', p. 96; 'Die Lage des Handels im Russland im Mai 1918' Pollitz, ZEG BL R901/81076 bl. 176.

<sup>72</sup> Oscar Sanchez-Sibony, *Red Globalization: The Political Economy of the Soviet Cold War from Stalin to Khrushchev* (Cambridge: Cambridge University Press, 2014).



travel on, in part because of the physical danger, in part because Soviet permission to export was unlikely for products purchased from the Whites.<sup>73</sup>

In addition to the general chaos, the Soviet Union had the same difficulties as the Ukraine with the non-payment of taxes and a wildly depreciating currency, frequent strikes on railways as well as in mines and factories.<sup>74</sup> The systems that produced and distributed material across Russia, to say nothing of export, were in such disarray that German aims were deeply compromised. As the State Secretary of the Economics Office explained to Chancellor Hertling, 'the confusion of political and economic conditions and the impossibility to determine how they will develop in the short and long term, creates absolutely extraordinary difficulties for the resumption of economic relations'.<sup>75</sup> The inability of the Bolsheviks to maintain a functioning infrastructure of circulation obstructed the realisation of German policy goals.

The weakness of the Soviet (and Ukrainian) state could elicit far reaching visions of colonial conquest and rule. Captain Vogel, for example, would write after three weeks in Moscow that, 'the entire political, military, economic and social machine has been destroyed, and thereby has created an entirely free field for our political, economic and even military purposes'.<sup>76</sup> Vejas Liulevicius has shown how chaos fuelled the imagination of German imperialists.<sup>77</sup> In reality, however, the weakness of the Russian state did not facilitate German expansion, but rather obstructed it. German goals required functioning state systems, and the disintegration of those systems prevented the introduction of a German-oriented circulatory state as a predicate to German control of raw material markets.

Chaos was not the only barrier to the realisation of German policy. Germany's plans for the Danube, for example, were obstructed by the recalcitrance of its most important ally. The grand vision of a thriving shipping channel from Bavaria to the Black Sea depended vitally on Austria-Hungary agreeing to spend substantial sums deepening and otherwise improving the Danube in their territory. This would, as several Austrian ministries noted, 'serve principally German interests'.<sup>78</sup> As a result, negotiations between Austria-Hungary and Germany about physical changes to the Danube made little progress, prompting the German Army's High Command to assert that German plans for improving ties to the Balkans had been blocked 'largely because of the resistance of Austria'.<sup>79</sup> Germany's continuing reliance on Austria-Hungary limited its ability to coerce its partner into a vast public works project. Austria-Hungary's ability to resist German pressure suggests the narrow range of political relationships necessary to realise German aims: other states had to be sufficiently weak that they would accept German demands to refashion their commercial space to suit German needs, and yet strong enough that they would be able to impose German aims on their societies.

In an effort to address the economic consequences of British and American expansion in the nineteenth century and their implications for the independence of the German economy and state, German war aims sought to construct a hegemonic space in Europe. The German state wished to refashion the institutions directing and facilitating the flow of raw materials around the European continent, particularly in Central, Eastern, and Southeastern Europe. These institutions were rooted in cooperation between governing powers and private interests. They were often closely involved

<sup>73</sup> BL R 3101/1088 bl. 15 Report by W. Steingrube on conditions in Siberia, 4 July 1918.

<sup>74</sup> Peter Gatrell, 'The First World War and War Communism, 1914–1920', in R.W. Davies, Mark Harrison and S.G. Wheatcroft, eds., *The Economic Transformation of the Soviet Union, 1913–1945* (Cambridge: Cambridge University Press, 1994), 219; Sheila Fitzpatrick, *The Russian Revolution* (Oxford: Oxford University Press, 2017), 81; Orlando Figges, *Peasant Russia, Civil War: The Volga Countryside in Revolution, 1917–1921* (New York: Clarendon Press, 1989); J.N. Westwood, 'Transport', *Economic Transformation of the Soviet Union*, 163.

<sup>75</sup> BL R901/81077 bl. 159 Staatssekretär von Stein to Reichskanzler, 28 June 1918.

<sup>76</sup> BL R 703/11a bl. 56 'Bericht über die Lage in Russland', Hauptmann Vogel, 20 May 1918.

<sup>77</sup> Liulevicius, *War Land*.

<sup>78</sup> OKA AOK Qu-Abt. 2584 1918 Rumänien, Aufzeichnung über interministerielle Besprechung betr. Schifffahrtsfragen, 15 Oct. 1917.

<sup>79</sup> Politisches Archiv der Auswärtigen Amtes (PA/AA) R 21.834 Aufzeichnung über die Ergebnisse der am 3. und 4. Nov. 1917 abgehaltenen Beratung über die polnische Frage. For negotiations, see OKA AOK Qu-Abt. 2584 1918 Rumänien, Aufzeichnung über Besprechung zwischen De. Und Ö-U betr. Schifffahrt, 16, 16, 18, 19, 20 Oct. 1917.

in the exercise of sovereign powers over people and territory. The unwillingness and/or inability of the German state to seize and control territory, as had Great Britain and the United States in the nineteenth century, forced Germany to work through other states, to annex elements of sovereignty rather than territory. German war aims increasingly focused on the infrastructures that embedded states in transnational networks of exchange in the hopes of constructing a form of domination akin to that the United States had begun to construct in the Western hemisphere, described by Benjamin Coates as ‘an empire of nation-states’, in which law and economic power operated to subordinate nominally independent states.<sup>80</sup> In that respect, German war aims represented an early effort to rework the structures of empire into something closer to neo-colonial relationships, in which Germans might secure the advantages of empire without exercising territorial control.

Such an ambition made German policy dependent on the simultaneous weakness and strength of other states, effectively limiting the prospects of German imperialism in Europe. The same war that opened the prospect of a vast informal empire in Europe, however, also so weakened Germany’s neighbours that the imperial project was stymied before it began. In effect, the conditions that made a German empire in Europe possible (the collapse of Russian state authority) simultaneously made a German informal empire impossible.

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<sup>80</sup> Benjamin Allen Coates, *Legalist Empire: International Law and American Foreign Relations in the Early Twentieth Century* (Oxford: Oxford University Press, 2016), 8. See also Emily Rosenberg, *Financial Missionaries to the World: The Politics and Culture of Dollar Diplomacy, 1900–1930* (Cambridge, MA: Harvard University Press, 1999); William Appleman Williams, *The Tragedy of American Diplomacy* (New York: W.W. Norton & Co., 2009), 27–89.