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SOME EFFECTS OF THE ALLIED AIR OFFENSIVE
ON GERMAN ECONOMIC LIFE

Extracts from a study compiled by the German
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TRANSLATED BY:

AIR MINISTRY, A.H.B.6.

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The air war waged by the Allies until now against German territory has shown that a powerful Air Force can effectively dislocate the economic life of a nation possessing a numerically inferior Air Force. Prolonged attacks of increasing intensity on bottle-neck industries and communications may well decide the outcome of a war.

The Allies demonstrated at the time of the invasion that rail communications over a wide area can be completely paralysed. Attacks on roads by low-flying ground attack and fighter ruled out all possibility of using these arteries by day, and severely hindered their use by night, and all movements of personnel and supplies were therefore brought to a standstill.

A similar situation now prevails in the Western provinces of Germany, and particularly in the Saar and Ruhr, where unceasing attacks by enemy bombers on industrial plants and communications centres, and low-level daylight blows against road and rail traffic have combined to produce a very critical situation.

The nature of modern air warfare, the range of present-day aircraft, and the devastating effect of the explosives used, have brought grave economic consequences, which will be briefly outlined in this Survey.

II.

If the full significance of modern air warfare is to be appreciated, we must attempt to discover what practical effects it has produced on our economic life.

1) Communications.

The damage inflicted on our railways has had the most far-reaching effects. The most critical problem at present is how to maintain in the face of constant air attack the rail transport essential both for food supplies and for armaments.

The position is most acute in the West, where attacks on railway bridges, marshalling yards, and locomotives have been the heaviest. The movement of trains by day is now almost impossible. Approximately 5,000 of the total of 20,000 goods waggons available daily are located in the Ruhr, and can only be used to a very limited extent. An average of 20 locomotives

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are damaged daily, and about the same number are under repair.

This situation has led to considerable delays, and in order to maintain the flow of the most essential goods it has been necessary to create a rigid priority system.

It has therefore been decided to withdraw rolling stock from the West, where it can serve no useful purpose, in order to ensure more or less normal conditions in Eastern and Central Germany. This virtual stoppage of all rail transport in the West has had disastrous results. Coal from the Ruhr and Saar can no longer be conveyed in adequate quantities back to the Reich, and this has led to a sharp drop in the production of steel.

Shipping on the Mittelland Canal has also been subjected to heavy air attack. Tonnage available in the West has been reduced from 6.2 to 4.6 million metric tons, and the inland waterways are therefore no longer of great value as an alternative means of transport. Some slight relief has been afforded by the use of heavy motor lorries with a total loading capacity of about 50,000 metric tons, but these have had to operate mainly by night to avoid low level air attacks.

Of 250,000 goods waggons available, one-third were inactive in October, and the situation has since deteriorated by about 15%. How supplies of raw and other essential materials have been affected will be evident if one remembers that they represent 74% of all goods carried by rail, of which 50% coal, 9.4% food supplies, and 4.2% armaments.

It will therefore be readily understood that the bulk of our present economic difficulties can be traced back to the virtual paralysis of the German railway system.

2) Coal production.

The rail transport situation in Western Germany has made it impossible for sufficient coal to be transported from the Ruhr and Saar to meet the needs of our war economy. At the moment, reserves are still available, but these will soon be exhausted. The use of coal from Central Germany, Upper Silesia and the Sudeten will not make good the deficit caused by the virtual loss of the mines in Western Germany.

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The following results of the reduction in coal deliveries may be mentioned:-

(a) a considerable reduction in the generation of power, (this has fallen from 12.7 kws. to 8.5 million kws.) This has led to a drop in armament production.

(b) A reduction in aluminium production; German aluminium acetate whose processing requires a great deal of power is now the only material available since we have lost the French, Dalmatian and Hungarian supplies of bauxite.

(c) A fall in steel production, with appreciable results throughout the armaments industry.

(d) A 50% drop in cement production, which has hindered the construction of airfields and fortifications.

The planned extension of our war potential is therefore only possible on a very limited scale.

3) Steel production.

At the beginning of 1944, German monthly production of steel totalled 3 million metric tons. By October, this figure had been reduced by one-third, and November output was not expected to exceed 1.6 million metric tons. In 1943, our total production of steel was 30 million metric tons; in the present year we expect to produce between 16 and 18 million metric tons.

The Reich Minister for Production and Armaments has instructed his Planning Department to draw up a new steel production programme, envisaging a further reduction to 1 million metric tons once production in the Ruhr has been abandoned. Under the terms of this Programme, steel will be reserved for the most vital war industries, and the production of many types of equipment will have to be either discontinued altogether or drastically reduced.

Allocations of steel to the armament industry in the next 3 months will probably be maintained at the present level, reserve stocks of between 15-18 million metric tons being available; there is therefore no reason why the production of armaments should suffer providing that transport difficulties can be overcome. Should, however, the Allied air offensive be continued on the present scale, our production will in any case be limited to 1 million metric tons per month, and reserves will soon be exhausted.

Despite

Despite the loss of Sweden, France, and other countries as sources of supply, there is at present no serious shortage of raw materials, as we possess great stocks of scrap iron which have if anything increased since the beginning of the Allied air offensive. The present grave position as regards steel production is due to the dislocation of rail traffic by air attacks, which has led to the above mentioned shortages in the supply of fuel and power.

4) Agriculture.

Agriculture and food supplies are also seriously affected by transport difficulties caused by Allied air attacks.

Due to the reduced output of coal and nitrogen, there is a severe shortage of artificial fertilizers. The 1938/39 output of 745,000 metric tons of nitrogen fertilizer fell in 1943/44 to 378,000 metric tons. It must therefore be expected that the next harvest will show a considerable deficit on that of previous years.

5) Industry.

The pre-war location of German industrial concerns was dictated by the obvious desirability of grouping factories in areas where communications and commercial conditions were most advantageous.

In the great coal-mining areas were concentrated not only satellite industries, but also many concerns in no way dependent on coal, but whose prosperity was materially increased by the favourable economic conditions and good transport facilities. There therefore grew up in Central Germany, the Ruhr, and Upper Silesia vast industrial areas surrounded by heavily built-up dormitory districts.

The developments of aerial warfare, and the ever-increasing intensity of the Allied attacks have shown that such areas are particularly liable and vulnerable to attack. Since the opening of the systematic air offensive on our bottle-neck industries, numerous dispersals have been carried out.

The transfer of certain vital war industries to underground plants has also been undertaken. In the near future it is hoped to make available factory space of about 4,121,700 cubic metres. About half this space has already been secured, and in particular, our fighter aircraft production plants have been removed from the threat of air attack.

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