

2 The Nazi war economy

How effectively did the Nazis mobilise the German economy to meet the demands of war?

The string of military successes achieved by the German armed forces with their use of the *Blitzkrieg* strategy up to December 1941 won Hitler and the regime valuable popular support. Moreover, it gave the impression of an economy that had not been overstrained by the demands of war. Such a view, however attractive, does not actually square with either Nazi intentions or the economic statistics.

The expansion of the Nazi economy

First, Hitler was determined to avoid the problems faced by Germany in the First World War and to fight the coming war with an economy thoroughly prepared for a major and perhaps extended conflict. To this end, he issued a series of war economy decrees in December 1939 outlining vast programmes for every possible aspect of war production, for example submarines and aircraft. These plans suggest that the Nazis went well beyond the demands of *Blitzkrieg* and a limited war.

Secondly, in real and percentage terms, German military expenditure doubled between 1939 and 1941, as shown by Table 7.1. However, Britain trebled its expenditure in the same period.

Table 7.1 Military expenditure of Germany and Britain 1937–41

Year	Germany (RM billions)		Britain (£ billions)	
	GNP	Military expenditure as a percentage of GNP	GNP	Military expenditure as a percentage of GNP
1937	93	11.7	4.6	0.3
1938	105	17.2	4.8	0.4
1939	130	23	5.0	1.1
1940	141	53.0	6.0	3.2
1941	152	71.0	6.8	4.1

Thirdly, food rationing in certain items was introduced from the very start of the war and the German labour force was rapidly mobilised so that, by the summer of 1941, 55 per cent of the workforce was involved in war-related projects: a figure which then only crept up to a high point of 61 per cent by 1944. In this light, it is hardly surprising that the first two years of war also witnessed a twenty per cent decline in civilian consumption of goods.

The limitations of economic mobilisation

Despite the intent of wholesale mobilisation, the actual results, in terms of armaments production, remained disappointingly low. Admittedly, there was a marked increase in the number of submarines, but surprisingly, Germany's air force had only increased from 8290 aircraft in 1939 to 10,780 in 1941 while in Britain over the same period the number of aircraft had trebled to 20,100. Likewise, Hitler was astonished to learn when drawing up plans for the invasion of the USSR that the Germans' armoured strength totalled only 3500 tanks, which was just 800 more than for the invasion of the West and fewer than the USSR put into the field.

KEY FIGURE

Fritz Todt (1891–1942)

Although a Nazi, Todt was more of an engineer and technician than a politician. He was responsible for the construction of motorways from 1933 and in 1940 he was appointed minister of armaments, which caused increasing clashes with Göring and the *Wehrmacht*. He died in a plane crash.

It seems that despite the Nazi image of German order and purposefulness, the actual mobilisation of the German economy was marred by inefficiency and poor co-ordination. The pressures resulting from the premature outbreak of war created problems, since many of the major projects were not due to be ready until 1942–3. So, at first, there was undoubtedly confusion between the short-term needs and long-term plans of the Nazi leadership.

Nevertheless, this should not have been an impossible barrier if only a clear and authoritative central control had been established over the economy. Instead, a host of different agencies all continued to function in their own way and often in a fashion which put them at odds with each other. Although there was a Ministry of Armaments under **Fritz Todt**, it existed alongside three other competing governmental ministries: those of Economics, Finance and Labour. In addition, there was political infighting between the leading Nazi figures –

for example, the *Gauleiters* tried to control their local areas at the expense of the overall plans of the state and the party – and also considerable financial corruption.

There were a number of groups responsible for armaments: the Office of the Four-Year Plan, the SS bodies and the different branches of the *Wehrmacht*. The armed forces, in particular, were determined to have their way over the development of munitions with the very best specifications possible and, as a result, the drive for quality was pursued at the expense of quantity. The consequence of all this was that after two years of war, and with the armed forces advancing into the USSR, Germany's economic mobilisation for total war had not achieved the expected levels of armaments production.