

GERMANY AND A PROLONGED WAR

BY FRITZ STERNBERG

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CHANCELLOR ADOLF HITLER has frequently remarked that Germany in 1939 is not the Germany of 1914. This is true in more respects — respects less consoling to the Reich — than the Führer intends to convey. Tempting as it may be to treat the current war in terms of a simple repetition of history, the facts today are far more complex. Politically, it should be recognized that in 1914 there existed, in advance, two firm groupings of powers: the Entente and Russia on one side, the Central Powers on the other. Now the main groupings are less rigid, and more nations have retained their freedom of decision. Economically, war has become in the interim so much more complicated and mechanized that demands on the industrial resources of the warring nations are correspondingly greater. Seldom has it been so clear at the outset of a war how important political — as against merely military — developments will be in its further course. And never before has it been so evident that, along with purely

military factors, economic factors will play a determining role — that, indeed, economic elements will be the most decisive in a prolonged war.

A prolonged war appears to be in prospect. With England as its enemy, Germany cannot hope for a victorious “lightning” attack. In the East, facing Poland, whose effective implements of war the Reich outnumbered 10 to 1, rapid-fire successes were possible. Against a Western coalition of England and France — a coalition whose combined industrial strength balances that of Germany — a swift decision is out of the question. Even more than in 1914-18, a long war will mean that economic factors which appear to have relatively little weight at the start will operate increasingly to decide the issue of victory or defeat.

That economic deficiencies cost them the first World War is now admitted by German experts. This, however, was recognized only after Germany had been defeated. It was characteristic of all the combat-

ants in that war that they underestimated, or even ignored, economic factors. At present the brains of Germany's new wartime economy is Major-General Thomas, chief of the Economic Section of the War Ministry and one of the authors of the Four Year Plan. In an article in a Nazi bulletin he asserted frankly that German industry in 1914 had been unprepared for war:

No one who reads the inquiry ordered by Minister von Tirpitz in 1906 concerning the provisioning of Germany in the event of war, and the numerous demands of the General Staff, and then investigates the effect of these warnings, can help asking himself how it was possible, in an age of technology and rapid industrial advancement, to forget so utterly the maxim of military historians — the close connection between the conduct of war and economy. The course of the World War demonstrated this connection in the highest degree. Without going into details, we can attest positively that the economic conditions of Germany affected the war most sharply from beginning to end, and in the final analysis decided it.

In the present conflict, both sides recognized the crucial importance of economic elements even in their pre-war preparations. The contrast between the two periods may be illustrated by the fact that Germany went into the first World War with a military General Staff, while today it has both a military and *economic* General Staff. The economic lessons of the last war

have been deeply impressed on the world.

Modern war calls for gigantic quantities and a steady flow of war materials; it is a machine-and-industry war, in which the production of iron and steel is the foundation. It is therefore natural that the German iron and steel industry should have made spectacular strides since the Nazis came to power and began straightway to gear for war. From 1937 to 1938 the German output of iron grew from 16,349,000 to 18,655,000 tons, and the output of steel from 20,037,000 to 22,991,000 tons. In England during the same critical year, iron production receded from 8,629,000 to 6,872,000 tons, and steel production similarly from 13,455,000 to 10,561,000 tons. French iron output declined from 7,914,000 to 6,027,000 tons and steel from 7,920,000 to 6,100,000.

Thus in the year when statesmen conferred at Munich, when Austria and Czechoslovakia were annexed, when Western fortifications were being rushed to completion and trial mobilizations effected — the mines and foundries of the Third Reich poured out black metals in ever-increasing quantities. In the Western countries — and the United States as well — at the same time the output fell off: in France and

England to four-fifths of the 1937 figures and in the United States almost to half. This was part of a general decline following the economic recession in the United States in the fall of 1937; and only in Germany, where war industries predominated heavily over peacetime manufactures, was a rise maintained. Russia, too, showed some increase that year, but the administrative paralysis and lowered efficiency resulting from Stalin's political purges acted as a brake. The margin between German and Russian industrial production, which had been growing narrower up to 1936, began to widen thereafter as Germany outstripped the Soviets in tempo of growth.

To comprehend what happened in Munich it is helpful to focus attention on the fact that Germany last year produced one-third more iron and steel than France and England combined; and that the Reich, in addition, had taken the lead in virtually every branch of armament production. To achieve this, the Nazi regime had acquired direct control over some two-thirds of the total national income and proceeded to convert increasingly large sectors of its domestic economy in peacetime to a wartime production basis.

Thus Germany entered the war with vast supplies of every type of weapon, and with a national economy already largely state-regulated. It required much less time than its enemies to gear the remaining fraction of her economy to war purposes and could effect industrial mobilization with unprecedented speed.

II

Germany's initial advantage, therefore, is in its superior industrial and war-economy preparations, rather than in the purely military strength of its army. The German army, I believe, is far weaker than is generally supposed, and far weaker than in 1914. Modern mechanized warfare calls for highly qualified and extensively trained human material. Even in the World War that was the reason why the industrial worker made a better soldier than the peasant.

When hostilities began in 1914, Germany had under arms 5,000,000 men who had seen at least two years of active service. France had the same number, products of a three-year training period. By the time the armistice was signed, Germany had called up a total of 10,000,000 men. With half of her troops already well-trained, there was no

special difficulty in assimilating the other half of untrained troops. The large number of efficient and highly-qualified officers in the old Imperial Army was a factor in accomplishing this assimilation.

Today the situation looks a good deal worse for Germany. Officially the Reich did not revive compulsory military service until 1935, though a certain amount of training went on before that. The fact remains that military classes from 1911 to 1913-14 have had no training comparable to that which prevailed before the World War. Of the classes which served in the World War, the youngest is now 39 years old; plainly only a small fraction of the men who survived that war can be available for front-line duty today. To what extent German technical personnel may have benefited from the experience of the recent Spanish war is difficult to ascertain; but it is surely small when measured by the scale of the present war.

In France, on the other hand, compulsory military service has been in force without break. France now has under arms 5,000,000 men who have been trained for at least two years, while Germany has at most 3,000,000 to 3,500,000 adequately trained troops. If the ratio of trained to untrained Ger-

man troops was 1:1 in the World War, it is no more than 1:3 at present. Possibly this helps explain why less than 2,000,000 troops were assigned to the West Wall, while the remainder of the German Army was operating in Poland.

Moreover, military qualifications are lower than they used to be, especially among the younger generation of officers. That is to be expected, in view of the general lowering of intellectual standards under National Socialism. German army leaders have admitted as much, and in some cases have expressed their doubts openly. In a speech quoted in the *Frankfurter Zeitung*, Major-General Thomas declared:

At the last meeting of the Reich Economic Board, Prof. Zemeck, director of the German Museum in Munich, referred especially to the fact that the degree of higher schooling among our young people is inadequate for our times. I must agree with him in this. I see great danger for our national defense, if the mental development should be limited by an exaggerated emphasis on physical training; for when our regimental commanders themselves make this observation regarding their recruits, it unquestionably points to a weakness in our system of training up to now.

The millions of hastily trained troops and the decline in the quality of officer-material may prove a

heavy handicap for Germany, canceling the advantage of her rapid industrial mobilization. This may well be the reason why we found German troops on the defensive in the West, instead of taking the offensive promptly as in 1914. Important French industrial provinces, which fell so swiftly under German control in the first World War offensive, remain in French hands at this writing. Perhaps it is not only the Maginot Line that restrained the Germans, but also the awareness that the French Army is better trained than their own.

As it now seems likely that Germany will make no large-scale territorial conquests in the West, and will therefore have no chance to acquire supplies from that direction, its war-economy weaknesses will make themselves felt faster than formerly. These weaknesses are manifest primarily in the three important respects wherein Hitler's economy is decidedly below the Kaiser's—in finances, foodstuffs, and raw materials.

When the first World War began, England had three to four billion pounds and Germany had 25,000,000,000 marks in foreign banks. Throughout the war both countries made huge purchases abroad. German imports, in fact,

reached a total of some 16,000,000,000 marks, thus enabling the government to plug quite a few of the leaks in its domestic economy. Today England has practically the same amount of capital abroad, while Germany has only one or two billion marks. In 1938 the Reich's imports of fats alone ran to 384,000,000 marks. If the war keeps on as long as the last one, it would seem that the sum-total of all the Reich's wealth abroad, plus gold and foreign currency at home, could hardly do much more than keep her supplied with fats.

Owing to its lack of finances, the Reich is already beginning to put tremendous pressure on the smaller neutral nations of Europe, especially in the southeast; and since Germany cannot pay cash for what she needs, she may be driven to employ every species of threat, up to and including military occupation, to force the neutral nations to deliver—an ironic feature of this situation being that Britain's blockade may indirectly have the effect of accelerating Germany's advance into southeastern Europe.

It is evident that Germany's food and raw-material problems are closely related to her financial difficulties. In the first few years of the first World War, food ship-

ments to Germany from neutral countries were so substantial that it was not necessary to issue ration cards for bread, meat, and fats until 1916. Now food is being rationed in Germany at the outset of the war. Just before Hitler moved against Austria a council of war was held at Berchtesgaden. At this conference General von Fritsch, who recently earned the somewhat peculiar distinction for a modern general of being "killed in action," is reported to have said: "You can finish a war on bread-cards, but you can't begin it that way." Yet that is precisely how Hitler has begun his war.

III

The Reich's deficiencies in raw materials are no less serious. Germany's iron mines are not nearly sufficient for its needs, and her small supply of domestic oil is wholly synthetic. With industry producing at top speed, and the mechanized war consuming ceaselessly, stock piles and storage tanks must soon become exhausted. Hitler announced three years ago that within eighteen months German synthetic oil production would make her independent of foreign sources. But he was dismally mistaken. Dr. Rudolph Eicke, director

of the Reichsbank, has cited figures to show that Germany in 1938 produced exactly 2,700,000 tons of synthetic petroleum, towards a national consumption that year of 7,100,000 tons — in other words, 4,400,000 tons were obtained abroad. Germany thus was able to produce only 40 per cent of her peace-time requirements. As her expected wartime consumption of oil is estimated by experts to be three times as large, it is able to supply domestically only about 15 per cent of its need.

It is said that Rumanian oil may help, but the total Rumanian oil output amounted in recent years to 6,000,000 tons annually. German and Rumanian oil together therefore cover less than half the prospective war needs. War, of course, can be conducted on a limited oil basis, but the German command will be seriously hampered if tanks and planes must always be spared with a view to oil economy. In 1914, Germany possessed the Polish oil fields, but they were of slight value. And if Hitler now, with the consent of his Soviet partner, should receive the entire Polish output, it will give him only 500,000 tons annually.

Some months before launching the war, Hitler declared that the Four Year Plan had solved all the

economic problems of the Reich, which need never again fear a British blockade. Oil statistics tell a different story. They explain why Field Marshal Göring, in a later speech, felt it necessary to emphasize the blessings of an alliance with the Soviet Union. There is no call, however, to exaggerate the potential supplies from this source, even if Stalin were willing to help to the limit, which I do not believe. Stalin is interested that no one in Europe should become too strong — which means he will help Hitler up to a limited point only.

But assuming the Kremlin's readiness to give its all, what are the facts? Average annual Russian oil production in the last three years is 27,000,000 tons. But while oil output rose, it did not rise fast enough to match the growth of internal oil consumption. Soviet agriculture, for instance, demanded more as the number of tractors grew. The result is that oil exports fell off. What needs to be compared is not Russian oil production with German demand, but Russian oil *exports* with German demand. These exports recently were only half of Rumania's exports — and that was before Stalin mobilized his army. Today, with 4,000,000 Red soldiers under arms, Russia's own consumption is much larger

and the need for oil reserves for any eventualities more pressing. Stalin will be unable, even if willing, to cover more than fractionally Hitler's oil requirements. And the same holds true for Russian black metals and foodstuffs. Soviet surpluses in these respects are negligible and internal demands are heavier with mobilization.

Shortly before the war started, German experts analyzed, in the leading German economic periodical, *Der Deutsche Volkswirtz*, the tension of national economy in the World War. They showed that before 1914 the German state appropriated about 12 per cent of the national income for state purposes. In 1915 the state's share rose to 33 per cent, and in the last year of the war to 66 per cent. In England, at the same time, the state had taken 8 per cent of the national income before 1914 and in the last year of the war, 50 per cent.

What are the corresponding conditions today? According to official German figures, *the state in 1938 already was taking 55 per cent of the total income in taxes and loans*. German experts consider an appropriation of two-thirds as a maximum possible in any country, even in wartime. On this basis the German state can enlarge its share of the income *only by 11 per cent*

as the war progresses. In England, on the other hand, the government before the outbreak of war was taking only 33 per cent of the national income — and is therefore able to double the amount for war purposes. These percentages are extremely significant. They mean that the Allies have a longer breath and that their capacity for economic strain will be bigger with every month as against Germany, which is already within only 11 per cent of its maximum economic mobilization.

Let me summarize: It will be a prolonged war. In the matter of war-economy preparation and industrial mobilization Germany has an advantage. In the matter of military training, finances, food resources, and raw stuffs it has even

more serious disadvantages. The longer the war lasts, the more decisive these weaknesses will become and the stronger the Allies will loom in contrast to Germany. Because it will be a long war, we can learn nothing by merely watching the headlines for the latest military events. Germany once before possessed a gigantic section of Europe — Poland and part of the present Russia, Yugoslavia and Rumania, Belgium and a part of France — only to lose the war. Germany today has even less economic reserves than in 1914. The outcome of the war will therefore depend ultimately on whether the Western Powers will be able to survive the war of nerves and political maneuvering until Germany's economic weaknesses develop.



TWO HEARTS THAT BEAT AS ONE

The shortage of certain consumers' goods in the Soviet Union is caused primarily by the need for certain industrial equipment which we must import from abroad. Only traitors and disrupters would object to the occasional inconvenience which such a procedure causes.

— Moscow *Izvestia*.

To use our foreign exchange for food-stuffs would be unsocial and anti-national, as it would cut down the importation of vitally necessary raw materials and would condemn thousands of our Volkgenossen to unemployment.

— Berlin *Völkischer Beobachter*.

SENATOR REYNOLDS SAVES AMERICA

BY ULRIC BELL

ONCE they called him the Tarheel Toreador. That was when Robert Rice Reynolds still amused the United States Senate as an exemplar of hillbilly tomfoolery, when he still had a lilt to him. He performed then as the shameless politico, filling the Senate record with turgid pages on his favorite subjects — himself, his travels, his slickness. His colleagues just put him down as a wayside Barnum with a dash of Wallingford and a few of the feathers of Donald Duck — perhaps a Jeeter Lester who could read and write and exhort in the fashion approved in his native habitat. When he was photographed in the act of kissing the late Jean Harlow a touch of Don Juan was added. Nimble with the nimbleness of the song-and-dance man that he actually was once “Our Bob,” as he lovingly calls himself, was just “his own admiring echo.”

But the echo finally got him. It hardened the smile and developed the solemn mien and gleaming eye of the man with a mission. The metamorphosis is pretty recent,

but the momentum of self-righteous infallibility carried him quickly to the position of the country's most voluble, and in some ways most ambitious, merchant of menace. Not the tenets he professes — they're mildewed leavings of ancient “nativism” and rough chips off the KKK block — but the exceeding noise he makes puts him in the forefront of the day's demagogues. He is the *Duce* of the Senate harangues.

Precious hours of the nation's time have been used by Reynolds in the Senate to prove that his heart is “big enough to engulf the world” and that the last thing he wants to be is a hawker of hatred. There's reason for suspecting that he means it, too. But despite his loud protestations, the country is beginning to think of him vaguely as a fascist. The thought shows up in bitter editorial comments in his own hometown papers, the way his name is linked with other self-appointed American saviors, the way his newly-hatched organization, The Vindicators, has decked itself