

GERMANY
(PRE-WAR)

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PRE-WAR GERMANY - HIGHWAY TRANSPORTATIONA. POLICIES

1. Information on transportation policy in general is contained in A-1 of the Pre-War German study on railway transportation. Germany, like practically every other government of Continental Europe, was intent on protecting the government-owned railroads against the competition of the highway carriers. Licensing requirements for existing long-distance freight carriers were very stringent, and no licenses were issued to new carriers from August 1933 to the summer of 1938. More important, the law of June 26, 1935 kept automobile trucking rates aligned with those of the railroads.

The civilian passenger car, as long as the Volkswagen remained an unkept promise, was important. There were numerous bus lines, run by the Reichspost, the Reichsbahn, and private enterprise, but about 90% of passenger traffic, both long distance and local, used the railroad. In view of the relative unimportance of trucking and passenger traffic, and of the civilian motor car, the famous Autobahnen, and indeed Hitler's whole road-building program, can be explained only as a rather grandiose gesture. Probably the larger purpose of the scheme was to provide employment, with considerations of prestige and military strategy playing a secondary part.

3. See A-3 of Railway Transportation for a general discussion of strategic and military considerations.
4. The financial maintenance of the Reichsautobahnen was entirely secured by subsidies from the Ministry of Finance in the form of a certain share of taxes. While in theory these roads were entitled to collect contributions from their users, no such contributions were in fact ever levied. During 1937 allotments from tax and duty receipts to the Autobahnen totaled 197,092,534 RM. Of this total, 104,600,000 RM came from the mineral oil duties, 61,700,000 RM from the mineral oil tax, and 30,800,000 RM from the transportation tax.

Any temporary financing was obtained by short and medium-term bills, drawn on the Reichs-Autobahnen-Beschaffungs G.m.b.g., which was a department of the Deutsche Verkehrs-Kredit A.G. (the banking institution of the Reichsbahn.) These bills could be rediscounted by the Reichsbank with the indorsement of the Deutsche Verkehrs-Kredit Bank. The total indebtedness of the Autobahnen on December 31, 1937 was stated to be:

1. Acceptance Credits	450 million RM
2. National Railway Loan	400 " "
3. National Unemployment Insurance	375 " "
4. Old Age Insurance Office	100 " "
5. Ministry of Finance	300 " "
6. National Association of Insurance Companies	237.2 " "
7. Others	33.6 " "

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The following table shows the expenditures of Reich, states and municipalities for the highway system:

Expenditures for Construction and Maintenance of German Roads (Millions of RM)

	<u>Autobahnen building expenses</u>	<u>Maintenance and re- pairs</u>	<u>Other Roads Construction & Reconstruc- tion</u>	<u>Total</u>
Average				
1927-29	----	427.0	570.0	1042.0
1932	----	287.5	150.8	438.3
1933	11.5	331.7	360.1	703.3
1934	232.3	334.1	431.0	997.4
1935	476.9	344.9	437.3	1259.1
1936	617.8	317.3	471.5	1406.6
1937	663.5	315.0	525.0	1503.5
1938	850.0	310.0	540.0	1700.0

Neither passenger nor freight road traffic were subsidized by the Reich. The transport tax for long-distance freight traffic was 7%, and that for passenger travel was 12%.

5. See Railway Transportation, A-5.

B. ORGANIZATION

1. All the local political authorities charged with the administration and upkeep of the highways were subject to the supervision and control of the Inspector General of German Roads. Important highways, classified as national roads, were financed by the Nation, and administered by the Inspector General through the state and local authorities. Roads of primarily regional significance were designated as first or second-class roads, according to the importance of the area they served.

First-class state roads were financed and administered by the State and provincial authorities; second-class roads by the counties and districts. The Inspector General appointed the technical members of the administrative boards for these roads. The layout and manner of construction of the super-highways (Autobahnen) was his personal responsibility, although actual construction and management were handled by the specially created Reichsautobahnen Company, originally a subsidiary of the National Railroad.

The decree of October 6, 1931, as subsequently amended, gave the Minister of Transport the all-important power of fixing minimum rates for freight traffic. In 1935, all firms engaged in the transport of goods for the account of a third person in operations over 50 kilometers were required to become members of the Truck Operators Association, or Reichs-Kraftwagen-Betriebsverband (RKB). The main functions of this association were the organization and regulation of long-distance road freight transport, the distribution of freight orders among members, the invoicing and collecting of bills

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on behalf of its members, and the compulsory insurance of all freight. At the same time, the RKB was incorporated bodily into the structure of the National Transport Group as the sole representative of private trucking.

See also B of Railway Transportation study.

C. ADMINISTRATION

1. This question is not strictly applicable, since the governmental policy was one of restricting rather than expanding transport facilities and enterprises. For specific information, see the relevant sections of this report.

Under a law of 1934, amended in 1937, the operators of road passenger services were required to obtain licenses, and sanction for alterations to licensed services, from the Ministry of Transport. Passenger traffic was in the hands of three groups of operators, namely, "private enterprise" (usually a municipal corporation), the Reichspost, and the Reichsbahn. Private enterprise was regulated by Under-Secretary K in the National Ministry, and represented in the National Transport Group. The Reichsbank and the Reichspost were exempt from licensing, being required only to notify the local authorities of their intentions 4 weeks before beginning a service.

2. The emergency decree of October 6, 1931 on "Inland Traffic with Motorized Vehicles" compelled the common-carrier long-distance truckers to adopt the Reichsbahn tariff rates in toto. In 1935-36 the entire German trucking system was organized under strong state pressure for the purpose of compelling the truckers to abide by the prescribed rates. The public organization so founded, the Reichs-Kraftwagen-Betriebsverband (usually abbreviated RKB) procured orders for individual firms through a new-work of cargo space distribution agencies (Laderaumverteilungsstellen), took over the "billing, collecting and payment of freight monies" (to avoid the possibilities of price-cutting), and insured the freight carried. To all intents and purposes, the truckers became employees of the RKB. The freight rates established by the Reich Trucking Tariff of March 30, 1936, were worked out by the RKB in agreement with the Reichsbahn, with the Minister of Transport as arbiter. The basic principle was that railroad and trucking rates for the 4 most expensive classes of commodities (Reichsbahn classification A to D) were to be the same. That commodities in the cheapest classifications (Reichsbahn classifications E to G) were to be forwarded by the highway carriers only at class D rates was relatively unimportant. The unfavorable position of high value goods in less than wagon loads on the railroad, as for example, paper, beer, chemicals, is obvious. The tariff nullified the technical advantages of the truck over the railroad. In addition, the embargo on licenses was continued. Thus the membership of the RKB declined from 9,230 members in 1936 with 12,791 trucks to 8,752 members with 19,201 trucks in mid-1938.

In 1938, when the transportation crises occasioned by the building of the West Wall, the incorporation of "irredentist" lands to Germany, and the increase in military preparation became clearly vis-

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ible, restrictions on licensing were lifted. But the action came too late to be of meaning. A truck ordered in 1938 would have been received in 1940, when the shortage of gasoline kept all vehicles off the road.

3. Since the fixing of tariff rates is the single most important instrument of regulating transport competition, this question is implicitly answered in the answers to question C-2.
4. There were no peculiarities in the German administrative system of safety regulation and inspection which require enumeration here. The only difference from commonly accepted practices lay in the high degree of centralization within the Ministry of Transport.
5. The National Socialist Automobile Corps (Nationalsozialistische Kraftfahrer Korps), usually abbreviated NSKK, was, to use the Nazi language, the primary "organ of the political will to motorization." The NSKK arranged a schooling scheme under the title "Youth at the Motor." By 1938, it was estimated that 200,000 young men had received preliminary training designed to make them better recruits for the panzer and motorized divisions. The Motor-Hitler Youth, with a membership of 100,000 in 1938, was under NSKK tutelage, as were parts of the German Labor Service. On January 27, 1939, a Fuhrer decree made the NSKK the exclusive organ for all pre- and post-military training in the motor field. The decree was implemented by an organization of 23 motor sport schools, for "leaders" and "experts", 2 national schools, and a technical drivers' university at Munich,

By 1938, there were 5.5 million licensed vehicle drivers in Germany. The licensing process was begun by an application to the local police, who forwarded it to the regional police. The examination of the candidate was made by an "expert" (Sachverständiger), appointed by the Minister of Transport and usually an NSKK man, with a degree in mechanical engineering and 2 years' experience. The licensing standards were in all essentials comparable to those of the United States. However, there were 4 classes of licenses, in accordance with the type of vehicle to be driven:

1. Motorcycles with a cylinder capacity of over 250 c.c.;
 2. Motor vehicles, weight over 3.5 tons, and truck trailer combinations with more than 3 axles, regardless of weight;
 3. Vehicles with cylinder capacity of 250 c.c. or less, and maximum speeds less than 20 kilometers per hour;
 4. All others.
6. As of September 1, 1938, Germany had ratified the road and motor traffic convention of the League of Nations. Germany also belonged to the International Federation of Commercial Motor Users.

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